

Decision title

## Financial Position as at the end of June 2018

Recommendation by  
Assistant Director, Finance

Decision Number  
LFC-0050-D

**NOT PROTECTIVELY MARKED**

### Summary

LFC-0050 presents the London Fire Commissioner's financial position as at the end of June 2018 (Quarter 1). It provides information on financial performance against revenue and capital budgets.

### Decision

The London Fire Commissioner receives the report.

**Dany Cotton QFSM**  
London Fire Commissioner



Date **22-08-2018**

#### Access to Information – Contact Officer

Name	Steven Adams
Telephone	020 8555 1200
Email	<a href="mailto:governance@london-fire.gov.uk">governance@london-fire.gov.uk</a>

Report title

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## Financial Position as at the end of June 2018

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Report to

Directorate Board, Corporate Services  
Commissioner's Board

Date

24 July 2018  
01 August 2018

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Report by

Assistant Director, Finance

Report number

LFC-0050

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**NOT PROTECTIVELY MARKED**

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### Summary

This report presents the London Fire Commissioner's (LFC) financial position as at the end of June 2018 (Quarter 1). It provides information on financial performance against revenue and capital budgets.

### Recommendation

That the report be noted.

### Background

1. This report considers the financial position as at the end of June 2018, including a forecast of outturn at the financial year end.
2. All departments review their actual income and expenditure on a regular basis, and provide an updated forecast of outturn and explanation of variances, against all their budgets, to the Finance Department. These returns then form the basis of reporting to the Corporate Service's Directorate Board and from there on to the Commissioner's Board.

### Background to 2018/19 Budget

3. The 2018/19 budget was approved by the previous Authority at its meeting on 29 March 2018 (FEP2825) and adopted as the budget for the Commissioner for 2018/19, with a net revenue budget of £401,087k. The budget included funding of £2,081k from earmarked reserves, £12,205k from specific grants and included savings of £2,210k.
4. This report sets out a summary position on both the revenue and capital budgets, and then provides more detailed explanations of variances.

## **Revenue**

5. The forecast outturn position for 2018/19 on the revenue budget is an underspend of £7,348k (1.8%). The variance is mainly due to an underspend of £4,009k on operational staff budgets based on expected operational staff numbers given forecasts for recruitment and leavers. There is also a significant forecast underspend of £1,026k on FRS staff budgets due to the number of vacant posts, £1,216k on property rates due to successful rate valuation appeals completed with the estates management consultant, £400k on vehicle passthroughs due to forecast lower number of repairs and abatements level on the vehicle and equipment contract, £514k on capital financing costs mainly due to reduced borrowing requirement in 2017/18 as a result of re-phasing some projects to 2018/19 and additional income from Metropolitan Fire Brigade Act 1865 (MFB Act) income from insurance companies of £259k.
6. This forecast underspend position will continue to be monitored throughout the 2018/19 financial year.
7. The key variances are explained in more detail from paragraph 11 below.

## **Capital**

8. The approved capital programme (FEP2825) for 2018/19 has a budget of £39,098k. A review of the future capital programme was carried out following the 2017/18 outturn, which included slippage from 2017/18 and resulted in a revised capital programme of £41,265k. The current forecast capital spend for 2018/19 is £23,995k, which is £17,270k less than the revised capital budget. Further details on these items, and the change above to the capital programme are set out from paragraph 26.
9. The capital programme will be further reviewed as part of the budget setting process and capital strategy requirements for 2019/20 and proposals to re-profile the budgets will be included in the Quarter 2 monitoring position. As part of that review the format of future reports will also be revised where possible, in order to more transparently show the key issues impacting the capital programme.

## **Tables and Appendices to this report**

10. A number of tables and appendices provide additional detail on the financial position, as follows:
  - Table 1 provides a summary of the financial position for the revenue budget;
  - Table 2 provides the latest position on reserves;
  - Appendix 1 contains additional detail on the current and forecast financial position;
  - Appendix 2 reports on the forecast outturn on the capital programme;
  - Appendix 3 discusses the risks to the revenue and capital position that have not been quantified;
  - Appendix 4 meets the requirement to disclose all budget virements within the quarter under the LFC Scheme of Governance;
  - Appendix 5 provides an analysis of outstanding debt relating to charges for Shut in Lift attendances; and
  - Appendix 6 provides an update on expenditure approved in the Additional Resilience Requirements report (FEP2763).

**Table 1. Summary Financial Position**

	Current Budget	Current Spend	Current Variance	Revised Budget	Forecast Outturn	Forecast Outturn Variance
	£000s	£000s	£000s	£000s	£000s	£000s
Operational staff	58,888	57,924	(964)	240,397	236,389	(4,008)
Other staff	13,581	15,351	1,770	57,353	56,520	(834)
Employee related	19,045	18,538	(506)	23,122	23,086	(36)
Pensions	4,989	4,981	(8)	20,445	20,445	0
Premises	17,706	19,969	2,263	37,790	36,680	(1,110)
Transport	13,882	14,191	310	16,790	16,224	(566)
Supplies and services	13,801	18,626	4,825	30,245	30,166	(80)
Third party payments	298	762	464	1,896	1,923	26
Capital financing costs	252	858	607	9,770	9,256	(514)
Central contingency against inflation	0	0	0	135	175	40
<b>Total revenue expenditure</b>	<b>142,441</b>	<b>151,201</b>	<b>8,759</b>	<b>437,945</b>	<b>430,863</b>	<b>(7,081)</b>
Other income	(23,372)	(22,295)	1,077	(37,220)	(37,432)	(211)
<b>Net revenue expenditure</b>	<b>119,069</b>	<b>128,906</b>	<b>9,836</b>	<b>400,724</b>	<b>393,432</b>	<b>(7,292)</b>
Use of earmarked reserves	0	0	0	(1,721)	(1,721)	0
<b>Financing Requirement</b>	<b>119,069</b>	<b>128,906</b>	<b>9,836</b>	<b>399,003</b>	<b>391,711</b>	<b>(7,292)</b>
Financed by:						
Specific grants	(10,122)	(12,067)	(1,945)	(12,278)	(12,334)	(56)
GLA funding	0	0	0	(386,725)	(386,725)	0
<b>Net Financial Position</b>	<b>108,947</b>	<b>116,838</b>	<b>7,891</b>	<b>0</b>	<b>(7,348)</b>	<b>(7,348)</b>

## Reasons for the Revenue Position

### Staff

11. The budget for operational staff is forecast to underspend by £4,009k. The 2018/19 Budget (FEP2825) included a one off saving in 2018/19 of £3,724k on operational staff based on forecast recruitment and leaver numbers showing an average of 84 vacancies over the year. These forecasts have now been updated and the expected number of vacancies has increased to 141. Whilst this was identified as a potential risk as part of the budget setting process, the budget for this year was not adjusted further due to ongoing work to increase recruitment and therefore reduce the number of vacancies.
12. FRS staff budgets are forecast to underspend by £1,026k, 2.0% of the revised budget. This is due to the number of vacant posts, with 144 vacant at the end of June, 16% of the establishment. There are 89 agency staff at the end of June, offsetting the underspend caused by the vacancies.

13. Control staff budgets are forecast to overspend by £193k. Overtime levels remain high due to backfilling of posts and staff required to support large and protracted incidents.
14. It should also be noted that the budget includes funding for an additional 1% for the 2017 pay award for operational and control staff, for a total 2% award in that year. Discussions between the National Joint Council and the FBU are continuing but any additional amount agreed above the 1% would reduce the forecast underspend.

### **Employee Related**

15. Employee related budgets are forecast to underspend by £36k largely due to an underspend on medical and welfare budgets, due to a lower forecast number of medical appeals in this financial year.

### **Premises**

16. Premises budgets are forecast to underspend by £1,110k due to an underspend on Business Rates (£1,216k) following the completion of successful appeals submitted in this financial year, offset by a number of work orders carried out from 2017/18 on appliance bay doors and remedial lift works, adjustments required to Euston Fire Station for counselling services in relation to Grenfell (£76k) and due to the cost of secure storage for museum exhibits prior to opening the new museum (£29k).

### **Transport**

17. Transport budgets are forecast to underspend by £566k. This includes a forecast underspend on the vehicle and equipment contract (£200k) based on forecast abatement levels and on vehicle passthroughs (£200k) due to lower accident repair costs expected from new fleet vehicles, which will be considered as part of the budget process, and delays to modifications programmes. There is also an additional underspend on running costs (£170k) due to a reduction in the motor insurance fleet premium because of the increase in the self-insured sum, as part of recently completed insurance tender. This will be built into the budget process for 2019/20.

### **Supplies and Services**

18. There is a forecast underspend of £80k on supplies and services budgets. This includes a forecast underspend on hydrant maintenance budgets (£250k) due to difficulties encountered in the recruitment of qualified Hydrant Technicians resulting in a lower number of referrals to water companies, offset by a forecast overspend on hardware and software budgets (£141k) due to spend on the wallboard at Merton carried forward from 2017/18 and a forecast overspend on professional services due to additional spend on legal services (£59k).

### **Capital Financing**

19. There is a forecast underspend of £514k on capital financing costs based on the provision that the expected capital receipts are achieved in year.

### **Income**

20. There is a forecast over recovery of £211k on income. This is due to an increase in MFB Act income from insurance companies (£259k) and additional income from smoke filled environment training (£212k) offsetting spend elsewhere. These are offset by forecasts that LIFT income will recover less than budgeted in this financial year (£127k) and reimbursement from LFB Enterprises will be less than budgeted due to less staff being seconded to the company (£100k).

## 2019/20 Budget Update

21. The Mayor's Budget Guidance for 2019/20 was published on June 2018 and set out the overall funding the Mayor intends to provide the LFC over the next four financial years. The Guidance required that a final budget submission should be submitted to the GLA by 30 November, presenting a financially balanced budget for 2019/20. The Guidance also requires that the submission should include a Capital Strategy covering the next 20 years.

## Position on Reserves

22. The forecast position on reserves is set out in Table 2 below. Movements on the reserves applied in year together with the underspend for the year, leave a balance on the general reserve at the year end of £21,387k. This is £7,362k in excess of the stated minimum level of £14,025k, which is 3.5% of the net revenue expenditure budget.

**Table 2. LFC Reserves for the 2017/18 Financial Year**

£000s	Opening Balance at 01/04/18	Approved movements	Underspend/ (Overspend) in 2018/19	Use of Reserves in 2018/19	Anticipated Balance at 31/03/19
Additional Resilience Requirements	4,773			(1,727)	3,046
Community Safety Investment Fund	101			(101)	0
Compensation	1,000				1,000
Emergency Services Mobile Communication Programme	178			(57)	121
Emergency Medical Response	830			(147)	683
Firefighters' Pension	1,172				1,172
Fire Safety and Youth Engagement	909			(176)	733
Hazardous Material Protection	18				18
HMICFRS inspection regime	0	149		(128)	21
Hydrants	462				462
ICT Development Reserve	1,310	600		(1,450)	460
London Resilience	2,250			(592)	1,658
LSP2017 Implementation	4,635			(698)	3,937
New Governance Arrangements	300			(300)	0
Pension Early Release Costs	400				400
Property PFI	1,912	(1,912)			0
Recruitment/ Outreach	418	83		(338)	163
Sustainability	235				235
Vehicle & Equipment Reserve	1,163			(421)	742
Watch Structure Review	0	168			168
Budget Flexibility	11,469	7,229		4,413	23,110
General	20,356	(6,317)	7,348		21,387

£000s	Opening Balance at 01/04/18	Approved movements	Underspend/ (Overspend) in 2018/19	Use of Reserves in 2018/19	Anticipated Balance at 31/03/19
<b>Total</b>	<b>53,890</b>	<b>0</b>	<b>7,348</b>	<b>(1,721)</b>	<b>59,517</b>

23. The reserves table above includes the use of the Additional Resilience reserve that was established to meet forecast costs in 2017/18 arising from an initial assessment of the LFB resources requirement. The reserve was carried forward to 2018/19 to fund delayed expenditure and the forecast use for this year includes expenditure of £190k on wicking t-shirts, £89k for Smokehoods and £59k for improved USAR kit. It also includes £1,000k spend on increases to the establishment in Fire Safety and £389k for additional legal investigation costs.
24. Other drawings from earmarked reserves in 2018/19 include:
- £1,450k from the ICT development reserve to fund delayed expenditure from 2017/18,
  - £698k for implementation of LSP2017, including £502k for community safety pilots, £141k for the ULEF programme and £55k for the staff surveys,
  - £592k from the London Resilience reserve for new equipment related to Mass Casualty Response (MCR) and flood response projects,
  - £421k from the vehicle and equipment reserve to fund chargepoint implementation costs,
  - £338k to support the recruitment outreach programme,
  - £300k to support new governance arrangements,
  - £176k to support a range of community safety pilots from the Fire Safety and Youth Engagement reserves,
  - £147k from the emergency medical response,
  - £128k to fund the HMICFRS inspection regime costs,
  - £159k from the Community Safety Investment Fund, and
  - £57k to fund the Emergency Services Mobile Communication Programme.
25. As a result of the forecast underspend, a review is currently being undertaken to assess the feasibility of transferring an additional £6.1m from the general reserve to the Budget Flexibility Reserve (BFR), to support the budget in future financial years. The use of the BFR, to defer savings requirements to later years, provides additional time to develop and implement budget proposals.

## Capital

26. The approved capital programme (FEP 2825) for 2018/19 has a budget of £39,098k. The budget was updated following the 2017/18 outturn, which included the slippage from 2017/18 and resulted in a revised capital programme of £41,265k.
27. The current forecast capital spend for 2018/19 is **£23,995k**, which is **£17,270k** less than the revised capital budget. This significant reduction in forecast spend reflects the outcome of a review undertaken following the outturn capital position for 2017/18 and also a revised approach to ensure that forecasts are realistic. This work will also help to improve the funding strategy going forward and ensure that borrowing is not entered into before it is necessary, and also support development of the new Capital Strategy.
28. The changes in the capital programme are detailed below. The capital programme for the current and future years are to be reviewed as part of the new capital strategy requirements and any further changes will be reported in the quarter two financial monitoring report.

**Budget re-phasing between 2018/19 and 2019/20 or later years – (£18,157 )**

- ICT – Control & Mobilisation System (CAMS) – (£470k)
- ICT – Emergency Services Network (£707k)
- ICT – Farynor System (£750k)
- ICT – Incident Grounds Communication (£1,800k)
- ICT – Wireless Access Point (£400k)
- Heating/rewiring/windows/flooring/minor works – (£2,403k)
- Plumstead Fire Station Redevelopment – (£1,500k)
- West Hampstead Cottage Refurbishment – (£486k)
- PEG/BDC Development – (£2,260k)
- New Training Centre – (£6,808k)
- Other budget re-phasing – (£573k)

**Budget savings/adjustments 2018/19 – £887k**

- ICT Core Switch Data Modules (£300k)
- ICT – Network Storage (£750k)
- ICT Removal of over programming – £2,207k
- Other budget savings/adjustments – (£270k)

29. Control & Mobilisation System (CAMS) – Capita are producing a detailed plan for approval by the Brigade, setting out delivery of future releases of software and ongoing improvements to the VISION mobilising system (CAMS) product. The implementation of these releases and improvements will be fully managed under the contract. However, it is prudent to hold a contingency to cover potential costs, due to the need to ensure VISION is stable and performing as contracted. There has been a delay in implementing remaining deliverables from the CAMS contract e.g. BOSS mobile, MAIT/DEIT. In addition, there are some changes identified to improve turn out performance, which have come to light post go live and are as a result of new mobilising equipment like Station End Equipment that needs to be implemented with the key focus remaining on ensuring the deployed system operates as effectively as possible and resources are prioritised to these tasks which impacts on the suppliers ability to deliver the additional functionality. As a consequence, £470k has been slipped to 2019/20 when it is anticipated that resources can be re-assigned.
30. ICT Public Service Network – The Public Services Network (PSN) is the government's high-performance network, which helps public sector organisations work together, reduce duplication and share resources. No decision has been made on LFB's requirement for PSN compliance. However, the government funded Emergency Services Network (ESN) project requires a similar standard of security accreditation and this project is undertaking works which largely satisfies the PSN requirements from an LFB perspective. However, the scope of the grant funding for ESN may be restricted to control room services only. Should this occur, additional funding may be required to finalise the PSN requirements for the LFB. It is envisaged that it will not be known until late 2019 whether the contingency budget of £707k will be required. On this basis, the budget has been deferred to 2019/20.
31. ICT – Farynor System (£750k) – This project has slipped to 2019/20 as it is considered prudent to assess the impact of the Independent Review of Building Regulations and Fire Safety led by Dame Judith Hackitt. As its purpose was to make recommendations that will ensure we have a sufficiently robust regulatory system for the future. To that end this project needs to be deferred until due consideration can be given to the report and subsequent guidance from government.



32. ICT – Incident Grounds Communication – £1,800k has slipped to 2019/20. This has occurred as the project is still to fully specify the requirements as a review of a significant number of operational policies is required prior to its completion. The primary issue is to consider the impact of the introduction of dual band (analogue and digital) devices to support both in building coverage for deployed solutions such as London Underground and the shift to digital band radio for incident communications.
33. ICT – Wireless Access Point – £400k slippage to 2019/20. This project is currently in the initiation phase but as it will require physical installation of equipment at all LFB sites, which may require site surveys to ensure adequate coverage, it is expected to take some months to complete once a contractor is appointed. As such it has been considered prudent to split the costs across 2018/19 and 2019/20.
34. Heating works at various fire stations/rewiring of fire stations/appliance bay floors/window replacements/minor works (£2,403k) – the capital programme has been fully reviewed following the appointment of new consultants. The majority of the feasibility studies have now been completed and have suggested a longer timeframe for completion than originally proposed by the outgoing consultants. As a consequence, indicative timelines for many of these projects from commencement to project completion are such that it would be challenging to complete the works in the current financial year. The project timescales for a number of projects have therefore been revised with a number being deferred to 2019/20 and in addition the budget being re-allocated to the most high priority works, as identified by the conditions surveys that have been undertaken. Subject to LFC approval, these works will progress to tender and the works will now be on site during 2019/20.
35. Plumstead Re-development – The initial site identified for the relocation of the existing Plumstead fire station is no longer available and our estate agents are exploring new land opportunities for this development. If a suitable site is not available, a decision will be required as to whether to refurbish the fire station on this existing site, although the property is currently listed and has numerous restrictions, or to build on the adjacent site. Accordingly, no spend is envisaged in the current financial year and the budget of £1,500k has been carried forward to 2019/20, when the outcome of the proposed development will be known. The remaining budget has been re-forecast across the following three years of the programme, based on a refurbishment/extension of the existing building, which is thought to be the most likely outcome.
36. West Hampstead Cottages Refurbishment – This is a listed property and listed planning consent is required before the commencement of the refurbishment works. Work continues to obtain the listed planning consent and the budget has been re-profiled to reflect the revised works programme, accordingly £486k has been re-phased to 2019/20.
37. PEG/BDC Development (IELP) – The lease agreement for the new and combined PEG / BDC facility (Integrated and Equipment Logistics Project – IELP) was finally signed at the end of February 2018. This, along with some delays in refining the requirements to house the specialist PEG equipment, resulted in delays in the completion of the tender package. Accordingly, £2,260k has been carried forward to 2019/20.
38. Croydon New Training Centre – This project is dependent on PEG (IELP project) moving out of the Croydon site by December 2018. The lease for the new IELP premises is now in place and fit out of the premises will commence later this year. It is now expected that the Croydon site will be vacated by June 2019. Work continues on the cost plan for the new Training Centre to deliver

this on budget, with a further report from the Quantity Survey expected shortly. The projected completion date for the training centre is now November 2020, and the budget has been re-phased accordingly.

39. There are also a number of smaller budget re-phasing items to later years including £98k for ICT – Records Management, £130k for the Home Fire Safety Database £200k for Virtual Desktop Technology, £100k for Middlesex Design Fire Station Refurbishments, £100k for Edmonton Fire Station Refurbishment, £30k for the LFB Museum Fit out and £100k to improve security at Fire Stations. This is offset by re-phasing of £185k from 2019/20 to 2018/19 for the Fleet Replacement Project.
40. ICT Core Switch Data Modules – this scheme is no longer required as this functionality has been delivered through the upgrade to Data Centre Switches 3750 Replacement project completed in March 2018. This has resulted in a budget saving of £300k.
41. ICT Network Storage – this provision was made to replace the physical Storage Area Network (SAN) which was due to go out of support in 2019. Advances in virtual technology have allowed LFB to make use of Virtual SAN (VSAN) software which we have been able to install on the new hyper converged server estate. This has resulted in a budget saving of £750k.
42. Other budget savings/adjustments include £70k for the Online Payment Facility and £200k for the Station Network Rewires, which are both no longer required.
43. Table 3 below shows the current changes to the capital programme and full details of the capital programme are set out at Appendix 2.

**Table 3 – Changes to the Capital Programme**

	2018/19	2019/20	2020/21	2021/22	Notes
<b>2017/18 Outturn Report</b>	<b>41,265</b>	<b>47,221</b>	<b>21,382</b>	<b>23,090</b>	
Control & Mobilising Sys (CAMS)	(470)	470			C/fwd to 2019/20
Emergency Services Network (ESN)	(707)	707			C/fwd to 2019/20
ICT – Records Management	(98)	98			C/fwd to 2019/20
ICT – Home Fire Safety Database	(130)	130			C/fwd to 2019/20
ICT – Farnor Replacement	(750)	750			C/fwd to 2019/20
ICT – Incident Grounds Communications	(1,800)	1,800			C/fwd to 2019/20
ICT – Virtual Desktop Technology	(200)	200			C/fwd to 2019/20
ICT – Wireless Access Point	(400)	400			C/fwd to 2019/20
ICT – Online Payment Facility	(70)				Budget savings
ICT – Core Switch Modules	(300)				Budget savings
ICT – Station Network Rewires	(200)				Budget savings
ICT – Network Storage	(750)				Budget savings
ICT – Over programming	2,207				Budget savings
Fleet Equipment Replacement	185	(185)			B/fwd from 2019/20
Fire Station Refurbishment -	(100)	833	(1,000)	(4,343)	Project re-phasing

Middx					
Plumstead FS Redevelopment	(1,500)	(2,350)	1,853	1,997	Project re-phasing
LFB Museum – Fit out	(30)	(2,322)		2,352	Project re-phasing
Refurbishment of Edmonton FS	(100)	1,110	3,600		Project re-phasing
Heating at various stations	(1,275)	150			C/fwd to 2019/20
Improve Security at fire stations	(100)	(1,155)		1,255	Project re-phasing
Window replacement at fire stations	(326)	425			C/fwd to 2019/20
Rewiring of property at fire stations	(550)	590			C/fwd to 2019/20
Minor Improvement Programme	(102)	1,135	(100)	(100)	Project re-phasing
Appliance Bay Doors (Phase 3)	(150)	305			C/fwd to 2019/20
West Hampstead Cottages Refurb	(486)	470	14		Project re-phasing
New Training Centre	(6,808)	916	5,892		Project re-phasing
PEG/BDC Development	(2,260)	2,160	100		Project re-phasing
<b>Quarter 1 Forecast</b>	<b>23,995</b>	<b>53,858</b>	<b>31,741</b>	<b>24,251</b>	
Change	(17,270)	6,637	10,359	(1,161)	

<b>Spend by Department</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
ICT Projects	1,717	5,370	2,360	2,000
Fleet Projects	23,472	25,105	10,738	11,680
Estate Projects	5,492	23,383	18,643	10,571
Over-programming	(6,686)	0	0	0
<b>TOTAL</b>	<b>23,995</b>	<b>53,858</b>	<b>31,741</b>	<b>24,251</b>

### Debtors

44. An analysis of debtors relating to Shut in Lift is provided in Appendix 5. This includes a chart that shows the decrease in Shut in Lift debts over the past 18 months of shut in lift charges. The total number of shut in lift debts has been falling gradually over the last two years, after its peak in 2015, with the overall balance reduced from £300k at the end of September 2015 to £104k at the end of June 2018.
45. The continued joint effort by Brigade staff has resulted in the positive progress made to date on shut in lift debts recovery. It does however continue to be a challenging process to recover a number of these debts.

### Additional Resilience Requirements

46. Appendix 6 provides detailed information on the additional resourcing costs agreed (FEP2763) following the Grenfell Tower fire and terrorist incidents in 2017. This includes the forecast spend for 2018/19 and the budget requirement for 2019/20 and future years.

**Finance comments**

47. This report is presented by the Assistant Director – Finance and there are no further comments.

**Workforce comments**

48. No staff-side consultations have been undertaken on this report.

**Legal comments**

49. General Counsel has reviewed this report and has no comments.

**Sustainability implications**

50. There are no direct sustainable implications.

**Equalities implications**

51. This report has no equality implications.

**List of Appendices to this report:**

1. Financial Position, 2018/19 Forecast Outturn
2. Capital Programme 2018/19
3. Risks to the Revenue and Capital Position
4. Scheme of Governance - Budget Virements
5. Outstanding LIFT debtors
6. Additional Resilience Requirements

**Consultation**

<b>Name/role</b>	<b>Method consulted</b>
Heads of Department	Departmental finance returns

# Financial Position, 2018/19 Forecast Outturn

# Appendix 1

	Current Budget	Current Spend	Current Variance		Original Budget	Revised Budget	Outturn	Outturn Variance	
	£	£	£	%	£	£	£	£	%
Operational Staff	58,395,571	57,476,803	(918,769)	(1.6%)	237,484,871	238,427,381	234,418,701	(4,008,680)	(1.7%)
Trainee Firefighters	492,392	447,477	(44,916)	(9.1%)	1,647,846	1,969,569	1,969,884	315	0.0%
Total Operational Staff	58,887,964	57,924,279	(963,684)	(1.6%)	239,132,716	240,396,950	236,388,585	(4,008,365)	(1.7%)
FRS Staff	12,236,983	13,910,448	1,673,465	13.7%	52,360,574	51,867,372	50,841,256	(1,026,116)	(2.0%)
Control Staff	1,344,098	1,440,236	96,138	7.2%	5,500,716	5,485,847	5,678,347	192,500	3.5%
Total Other Staff	13,581,081	15,350,684	1,769,603	13.0%	57,861,291	57,353,219	56,519,603	(833,616)	(1.5%)
Other Pension Payments	165,000	157,993	(7,007)	(4.2%)	990,000	990,000	990,000	0	0.0%
Severance	0	(27,384)	(27,384)	0.0%	0	0	0	0	0.0%
Professional Development	18,146,667	17,688,406	(458,261)	(2.5%)	20,757,145	19,724,220	19,724,220	0	0.0%
Recruitment	73,528	55,041	(18,487)	(25.1%)	197,500	197,500	200,709	3,209	1.6%
Employee Related Insurance	0	69,375	69,375	0.0%	190,000	190,000	190,000	0	0.0%
Compensation	138,953	104,251	(34,703)	(25.0%)	555,813	555,814	555,814	0	0.0%
Medical and Welfare Expenses	520,629	490,668	(29,961)	(5.8%)	2,096,536	2,096,536	2,057,522	(39,014)	(1.9%)
Employee Capitalised Costs	0	0	0	0.0%	(631,974)	(631,974)	(631,974)	0	0.0%
Total Employee Related	19,044,777	18,538,350	(506,427)	(2.7%)	24,155,020	23,122,096	23,086,291	(35,805)	(0.2%)
Firefighter Pension Scheme	4,988,815	4,980,628	(8,187)	(0.2%)	20,445,260	20,445,260	20,445,260	0	0.0%
Building Maintenance	2,738,141	2,828,460	90,319	3.3%	6,893,188	7,064,400	7,141,369	76,969	1.1%
Grounds Maintenance	14,696	20,174	5,478	37.3%	146,396	120,984	120,984	0	0.0%
Premises Security	468,670	467,696	(974)	(0.2%)	451,670	571,670	571,670	0	0.0%
Energy Costs	351,415	405,425	54,010	15.4%	2,034,205	2,034,205	2,034,205	0	0.0%
Rents	3,595,338	4,031,022	435,684	12.1%	8,143,116	8,303,856	8,332,866	29,010	0.3%
Property PFI Contract	5,585,202	5,584,639	(563)	(0.0%)	5,585,202	5,585,202	5,585,202	0	0.0%
Property Rates	2,481,775	4,403,064	1,921,289	77.4%	9,088,111	9,088,111	7,872,111	(1,216,000)	(13.4%)

## Financial Position, 2018/19 Forecast Outturn

## Appendix 1

	Current Budget	Current Spend	Current Variance		Original Budget	Revised Budget	Outturn	Outturn Variance	
Water & Sewerage Rates	47,867	22,081	(25,786)	(53.9%)	263,515	263,515	263,515	0	0.0%
Fixtures & Fittings	13,664	9,414	(4,250)	(31.1%)	97,969	97,969	97,969	0	0.0%
Cleaning and Domestic Supplies	354,035	86,394	(267,641)	(75.6%)	2,020,097	2,101,297	2,101,297	0	0.0%
Premises Insurance	18,600	93,409	74,809	402.2%	372,000	372,000	372,000	0	0.0%
Other Property Services	2,037,023	2,017,531	(19,492)	(1.0%)	2,464,908	2,186,583	2,186,963	380	0.0%
<b>Total Premises</b>	<b>17,706,426</b>	<b>19,969,309</b>	<b>2,262,883</b>	<b>12.8%</b>	<b>37,560,376</b>	<b>37,789,791</b>	<b>36,680,150</b>	<b>(1,109,641)</b>	<b>(2.9%)</b>
Running Costs	1,541,232	1,443,059	(98,173)	(6.4%)	3,071,571	3,070,464	2,900,358	(170,106)	(5.5%)
Vehicle and Equipment Contract	10,927,011	11,131,200	204,189	1.9%	10,972,929	10,927,011	10,727,011	(200,000)	(1.8%)
Vehicle Passthroughs	467,079	612,744	145,664	31.2%	643,651	692,589	492,589	(200,000)	(28.9%)
Maintenance and Repairs	0	0	0	0.0%	670,000	70,000	70,000	0	0.0%
Contract Hire & Operating Leases	724,953	719,109	(5,844)	(0.8%)	1,173,800	1,110,233	1,134,514	24,281	2.2%
Travel	221,479	285,147	63,668	28.7%	1,108,859	919,829	899,384	(20,445)	(2.2%)
<b>Total Transport</b>	<b>13,881,755</b>	<b>14,191,259</b>	<b>309,504</b>	<b>2.2%</b>	<b>17,640,810</b>	<b>16,790,125</b>	<b>16,223,856</b>	<b>(566,269)</b>	<b>(3.4%)</b>
Hydrants	496,055	481,024	(15,031)	(3.0%)	496,055	496,055	246,055	(250,000)	(50.4%)
Operational Equipment	626,681	562,375	(64,306)	(10.3%)	2,991,620	2,331,784	2,361,976	30,192	1.3%
Smoke Alarms	210,000	308,231	98,231	46.8%	700,000	700,000	674,593	(25,407)	(3.6%)
Equipment Furniture and Materials	77,854	164,573	86,719	111.4%	287,727	318,441	322,964	4,523	1.4%
Lost & NFWT Operational Equipment	111,425	152,808	41,383	37.1%	111,425	111,425	91,425	(20,000)	(17.9%)
Catering	96,546	124,558	28,012	29.0%	298,990	315,436	315,836	400	0.1%
Clothing & Laundry	1,483,663	1,736,147	252,485	17.0%	3,011,598	3,013,628	3,025,299	11,671	0.4%
General Office Expenses	193,350	154,648	(38,702)	(20.0%)	703,793	636,986	603,148	(33,837)	(5.3%)
Professional Services	7,810,406	8,084,634	274,228	3.5%	8,950,632	9,726,163	9,785,509	59,346	0.6%
Postal Services	13,446	54,930	41,485	308.5%	61,255	61,055	61,055	0	0.0%
Communications	955,956	1,902,229	946,272	99.0%	3,682,073	3,935,450	3,951,000	15,550	0.4%
Hardware and Software	1,543,840	4,635,644	3,091,804	200.3%	7,056,685	7,759,730	7,900,322	140,592	1.8%
Staff Reimbursements	60,316	56,025	(4,291)	(7.1%)	248,772	242,021	241,876	(145)	(0.1%)

# Financial Position, 2018/19 Forecast Outturn

# Appendix 1

	Current Budget	Current Spend	Current Variance		Original Budget	Revised Budget	Outturn	Outturn Variance	
Grants and Subscriptions	85,088	85,617	530	0.6%	235,643	227,143	223,443	(3,700)	(1.6%)
Other Insurance	0	57,496	57,496	0.0%	225,000	225,000	225,000	0	0.0%
Advertising	25,665	21,565	(4,100)	(16.0%)	117,750	105,861	97,869	(7,992)	(7.5%)
Other Supplies and Services	10,505	43,014	32,509	309.5%	38,976	39,170	38,470	(700)	(1.8%)
Total Supplies and Services	13,800,795	18,625,519	4,824,723	35.0%	29,217,993	30,245,347	30,165,839	(79,508)	(0.3%)
Other Agencies	25,146	46,630	21,484	85.4%	318,700	419,284	419,284	0	0.0%
Other Local Authorities	191,397	681,540	490,143	256.1%	1,561,002	1,388,594	1,415,594	27,000	1.9%
Audit & Bank Charges	81,250	33,840	(47,410)	(58.4%)	88,600	88,600	88,000	(600)	(0.7%)
Total Third Party Payments	297,793	762,011	464,218	155.9%	1,968,302	1,896,478	1,922,878	26,400	1.4%
Debt Repayment	0	0	0	0.0%	6,282,000	6,282,000	5,833,000	(449,000)	(7.1%)
External Interest	251,760	858,490	606,730	241.0%	3,488,000	3,488,000	3,423,000	(65,000)	(1.9%)
Total Capital Financing Costs	251,760	858,490	606,730	241.0%	9,770,000	9,770,000	9,256,000	(514,000)	(5.3%)
Central Contingency	0	0	0	0.0%	333,197	135,345	174,996	39,651	29.3%
<b>Total revenue expenditure</b>	<b>142,441,166</b>	<b>151,200,529</b>	<b>8,759,363</b>	<b>6.1%</b>	<b>438,084,965</b>	<b>437,944,611</b>	<b>430,863,458</b>	<b>(7,081,154)</b>	<b>(1.6%)</b>
MFB Act Income	(20,528,079)	(20,686,249)	(158,170)	0.8%	(27,695,000)	(27,740,647)	(28,000,000)	(259,353)	0.9%
Customer and Client Receipts	(2,843,660)	(1,633,722)	1,209,938	(42.5%)	(8,801,309)	(9,079,609)	(9,031,539)	48,070	(0.5%)
Interest Receivable	0	18,798	18,798	0.0%	(400,000)	(400,000)	(400,000)	0	0.0%
Bad Debts	0	6,176	6,176	0.0%	0	0	0	0	0.0%
Total Other Income	(23,371,739)	(22,294,997)	1,076,742	(4.6%)	(36,896,309)	(37,220,256)	(37,431,540)	(211,283)	0.6%
<b>Net revenue expenditure</b>	<b>119,069,427</b>	<b>128,905,532</b>	<b>9,836,105</b>	<b>8.3%</b>	<b>401,188,655</b>	<b>400,724,355</b>	<b>393,431,918</b>	<b>(7,292,437)</b>	<b>(1.8%)</b>
Use of Earmarked Reserves	0	0	0	0.0%	(2,183,254)	(1,721,281)	(1,721,280)	0	(0.0%)

# Financial Position, 2018/19 Forecast Outturn

## Appendix 1

	Current Budget	Current Spend	Current Variance		Original Budget	Revised Budget	Outturn	Outturn Variance	
<b>Financing Requirement</b>	<b>119,069,427</b>	<b>128,905,532</b>	<b>9,836,105</b>	<b>8.3%</b>	<b>399,005,401</b>	<b>399,003,074</b>	<b>391,710,638</b>	<b>(7,292,437)</b>	<b>(1.8%)</b>
Financed by:									
Specific grants	(10,122,331)	(12,067,161)	(1,944,831)	19.2%	(12,205,401)	(12,278,187)	(12,334,187)	(56,000)	0.5%
GLA Grant	0	0	0	0.0%	(386,800,000)	(386,724,887)	(386,724,887)	0	0.0%
<b>Net Financial Position</b>	<b>108,947,096</b>	<b>116,838,371</b>	<b>7,891,275</b>	<b>7.2%</b>	<b>0</b>	<b>0</b>	<b>(7,348,436)</b>	<b>(7,348,436)</b>	<b>0.0%</b>



## Financial Position, 2018/19 Capital Programme

### Appendix 2

	2018-19 Budget July 2018	Qtr. 1 Forecast 2018/19	Variance		Qtr. 1 Spend	Notes
<b>2018/19 CAPITAL BUDGET</b>						
<b>ICT Projects</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>			
Records Management - Operating System	98	0	(98)		0	C/fwd to 2019/20
Business Intelligent Solution	654	654	0		0	
Control & Mobilisation System (CAMS)	470	0	(470)		(333)	C/fwd to 2019/20
Mobile Data Terminals Replacement	71	71	0		0	
Replacement of the incident grounds communications	1,800	0	(1,800)		0	C/fwd to 2019/20
Home Fire Safety Database (linked to Farynor))	130	0	(130)		0	C/fwd to 2019/20
Replacement of laptops (FEP2462)	45	45	0		0	
Emergency Services Network	707	0	(707)		0	C/fwd to 2019/20
ICT – Accident (event) reporting solution	62	62	0		0	
Online Payment Facility	70	0	(70)		0	Budget Savings
ICT – Virtual Desktop Technology	250	50	(200)		0	C/fwd to 2019/20
New telephone system equipment	42	42	0		0	
New computer terminals	41	41	0		0	
Core Switch Modules	300	0	(300)		0	Budget Savings
Wireless Access Points	853	453	(400)		0	C/fwd to 2019/20
Data Centre Switches 3750 Replacement	104	104	0		0	
Station Network Rewires	200	0	(200)		0	Budget Savings
Network Storage	750	0	(750)		0	Budget Savings
Farynor Replacement (linked to ICT Home Fire Safety Database Project)	750	0	(750)		0	C/fwd to 2019/20
Data transfer system - Joint Emergency Service	195	195	0		0	C/fwd to 2019/20
ICT Projects Over programming	(2,207)	0	2,207		0	Removed
<b>ICT PROJECTS</b>	<b>5,385</b>	<b>1,717</b>	<b>(3,668)</b>		<b>(333)</b>	
<b>ESTATE PROJECTS</b>						
Fire Station Refurbishment (Middx FS)	100	0	(100)		0	Budget re-phased
Workplace Improvement Plan (WIP) Union St	60	60	0		(1)	
Plumstead Fire Station Redevelopment	1,500	0	(1,500)		0	Budget re-phased

## Financial Position, 2018/19 Capital Programme

### Appendix 2

	2018-19 Budget July 2018	Qtr. 1 Forecast 2018/19	Variance		Qtr. 1 Spend	Notes
<b>2018/19 CAPITAL BUDGET</b>						
LFB Museum – Fitout	30	0	(30)		0	Budget re-phased
Refurbishment of Edmonton Fire Station	100	0	(100)		0	Budget re-phased
Heating at various stations	1,411	136	(1,275)		(100)	C/fwd to 19/20
Window replacement at various stations	510	184	(326)		0	C/fwd to 2019/20
Rewiring of property at various fire stations	600	50	(550)		(37)	C/fwd to 2019/20
Minor Improvement Programme	1,943	1,842	(101)		171	C/fwd to 2019/20
Appliance Bay Doors (Phase 3)	663	513	(150)		169	C/fwd to 2019/20
Brigade wide Survey for Asbestos & Removal	50	50	0		7	
Fire Safety Works at Fire Stations	47	47	0		0	
Forecourts/Rear yards Refurbishment	51	51	0		0	
Improve Security at all Fire Stations, Offices	100	0	(100)		0	C/fwd to 2019/20
New Training Centre *	7,445	637	(6,808)		14	Budget re-phased
PEG/BDC Development – IELP Project	3,733	1,473	(2,260)		(12)	Budget re-phased
West Hampstead Cottages Refurb	686	200	(486)		0	Budget re-phased
Development costs	250	250	0		(95)	
Other accrual reversals	0	0	0		(54)	
<b>ESTATE PROJECTS</b>	<b>19,279</b>	<b>5,492</b>	<b>(13,787)</b>		<b>62</b>	
<b>FLEET &amp; EQUIPMENT PROJECTS</b>						
Replacement of Fleet and Operational Equipment	13,521	13,706	185		1,782	B/fwd from 2019/20
Respiratory Protective Equipment	2,300	2,300	0		0	
Early Replacement of ALP & HP*	3,750	3,750	0		0	
CCTV on Pumping Appliances *	369	369	0		0	
Early Replacement of Fire Boat*	1,000	1,000	0		0	
22mm Water Hose and Reel for Appliances *	1,014	1,014	0		0	
Vehicle Security *	1,333	1,333	0		0	
<b>FLEET &amp; EQUIPMENT PROJECTS</b>	<b>23,287</b>	<b>23,472</b>	<b>185</b>		<b>1,782</b>	
Projected Underspend	(6,686)	(6,686)	0		0	

# Financial Position, 2018/19 Capital Programme

## Appendix 2

	2018-19 Budget July 2018	Qtr. 1 Forecast 2018/19	Variance		Qtr. 1 Spend		Notes
2018/19 CAPITAL BUDGET							
CAPITAL EXPENDITURE TOTAL	41,265	23,995	(17,270)		1,511		

# Financial Position, 2018/19 Capital Programme

# Appendix 2

<b>FUTURE CAPITAL PROGRAMME –Quarter 1 2018/19</b>	<b>2018-19 Budget March 18 FEP2825</b>	<b>B/fwd from 2017-18 Outturn</b>	<b>C/fwd to 2019/20/ savings New Projects</b>	<b>2018-19 Budget Qtr. 1 Report</b>		<b>2019/20 Budget</b>	<b>2020/21 Budget</b>	<b>2021/22 Budget</b>	<b>Prior Years Spend</b>	<b>Projected Project Spend</b>	<b>Approved budget</b>
<b>ICT Projects</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>		<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
Records Management - Operating System	98	0	(98)	0		98	0	0	2,091	2,189	2,350
Business Intelligent Solution	600	54	0	654		600	360	0	196	1,810	1,810
Control & Mobilisation System (CAMS)	470	0	(470)	0		470	0	0	9,013	9,483	10,650
Mobile Data Terminals Replacement	71	0	0	71		0	0	0	2,029	2,100	2,100
Fireground Radios	1,300	0	(1,300)	0		1,800	0	0	0	1,800	Q4 18-19
Home Fire Safety Database (linked to Farynor)	130	0	(130)	0		130	0	0	0	130	n/a
Replacement of laptops (FEP2462)	0	45	0	45		0	0	0	358	403	450
Emergency Services Network	707	0	(707)	0		707	0	0	0	707	Q1 19-20
ICT – Accident (event) reporting solution	0	62	0	62		0	0	0	68	130	130
Online Payment Facility	70	0	(70)	0		0	0	0	0	0	n/a
ICT – Virtual Desktop Technology	250	0	(200)	50		200	0	0	0	250	TBA
New telephone system equipment	0	42	0	42		0	0	0	115	157	157
New computer terminals	0	41	0	41		0	0	0	28	69	75
Netscaller Replacement	0	0	0	0		400	0	0	0	400	TBA
Core Network 6509 Replacement	0	0	0	0		0	1,900	0	0	1,900	TBA
Core Switch Modules	300	0	(300)	0		0	0	0	0	300	TBA
Network Access Switches 3650 Replacement	0	0	0	0		750	0	0	0	750	TBA
Wireless Access Points	853	0	(400)	453		400	0	0	0	853	TBA
Data Centre Switches 3750 Replacement	104	0	0	104		0	0	0	0	104	TBA
Station Network Rewires	200	0	(200)	0		100	100	0	0	200	TBA
New ISP	0	0	0	0		500	0	0	0	500	TBA
New WAN	0	0	0	0		0	500	0	0	500	TBA

# Financial Position, 2018/19 Capital Programme

# Appendix 2

	2018-19 Budget March 18 FEP2825	B/fwd from 2017-18 Outturn	C/fwd to 2019/20/ savings New Projects	2018-19 Budget Qtr. 1 Report		2019/20 Budget	2020/21 Budget	2021/22 Budget	Prior Years Spend	Projected Project Spend	Approved budget
<b>FUTURE CAPITAL PROGRAMME –Quarter 1 2018/19</b>											
VM Server Environment Hosts	0	0	0	0		500	0	0	0	500	TBA
Network Storage	750	0	(750)	0		0	0	0	0	0	n/a
Replacement of laptops	0	0	0	0		563	0	0	0	563	TBA
New computer terminals - Thin Client	0	0	0	0		0	1,150	0	0	1,150	TBA
New audio visual equip for Stations	0	0	0	0		0	100	0	0	100	TBA
New computer terminals - Fat Client	0	0	0	0		100	0	0	0	100	TBA
Data transfer system - Joint Emergency Services	0	195	0	195		195	0	0	71	266	266
Business Management System (PMF)	215	0	(215)	0		215	0	0	0	215	TBA
Farynor Replacement (linked to ICT Home Fire Safety Database Project)	700	50	(750)	0		750	0	0	0	750	£100k fees
ICT Projects Over programming/to be allocated	(2,207)	0	2,207	0		(2,913)	(1,750)	2,000	0	(4,870)	TBA
<b>ICT PROJECTS</b>	<b>4,611</b>	<b>489</b>	<b>(3,383)</b>	<b>1,717</b>		<b>5,370</b>	<b>2,360</b>	<b>2,000</b>	<b>13,969</b>	<b>24,529</b>	
<b>ESTATE PROJECTS</b>											
Fire Station Refurbishment (Middx FS)	100	0	(100)	0		2,000	1,000	917	n/a	3,917	Tba
Workplace Improvement Plan (WIP) Union St	0	60	0	60		0	0	0	107	240	240
Plumstead Fire Station Redevelopment	1,500	0	(1,500)	0		2,000	2,000	1,997	0	5,997	Tba
LFB Museum – Fit out	30	0	(30)	0		30	0	2,352	18	2,400	2,400
Refurbishment of Edmonton Fire Station	100	0	(100)	0		2,000	3,600	0	0	5,600	tba
Heating at various stations	1,350	61	(1,275)	136		1,500	1,350	1,350	n/a	n/a	n/a
Window replacement at various stations	400	110	(326)	184		825	400	400	n/a	n/a	n/a
Rewiring of property at various fire stations	600	0	(550)	50		1,190	600	600	n/a	n/a	n/a
Minor Improvement Programme	1,467	476	(102)	1,842		2,435	1,200	1,200	n/a	n/a	n/a
Appliance Bay Doors (Phase 3)	475	188	(150)	513		505	200	200	n/a	n/a	n/a

# Financial Position, 2018/19 Capital Programme

# Appendix 2

	2018-19 Budget March 18 FEP2825	B/fwd from 2017-18 Outturn	C/fwd to 2019/20/ savings New Projects	2018-19 Budget Qtr. 1 Report		2019/20 Budget	2020/21 Budget	2021/22 Budget	Prior Years Spend	Projected Project Spend	Approved budget
<b>FUTURE CAPITAL PROGRAMME –Quarter 1 2018/19</b>											
Brigade wide Survey for Asbestos & Removal	50	0	0	50		50	50	50	n/a	n/a	n/a
Fire Safety Works at Fire Stations	47	0	0	47		0	0	0	n/a	n/a	n/a
Forecourts/Rear yards Refurbishment	0	51	0	51		0	0	0	n/a	n/a	n/a
West Hampstead Cottages Refurb (FEP2776)	670	16	(486)	200		500	14	0	4	720	720
Improve Security at all Fire Stations, Offices	100	0	(100)	0		100	1,250	1,255	0	2,605	TBA
New Training Centre	7,374	71	(6,808)	637		7,788	6,629	0	446	15,500	15,500
PEG/BDC Development	3,610	123	(2,260)	1,473		2,210	100	0	217	4,000	4,000
Development costs	250	0	0	250		250	250	250	n/a	n/a	n/a
<b>ESTATE PROJECTS</b>	<b>18,123</b>	<b>1,156</b>	<b>(13,787)</b>	<b>5,492</b>		<b>23,383</b>	<b>18,643</b>	<b>10,571</b>			
<b>FLEET &amp; EQUIPMENT PROJECTS</b>											
Replacement of Fleet and Operational Equipment	11,535	1,986	185	13,706		22,325	10,488	11,680	10,813	69,012	TBA
Respiratory Protective Equipment	0	0	2,300	2,300		0	0	0	0	2,300	TBA
Early Replacement of ALP & HP	3,750	0	0	3,750		1,530	0	0	0	5,280	5,280
CCTV on Pumping Appliances	79	290	0	369		0	0	0	115	484	501
Early Replacement of Fire Boat	1,000	0	0	1,000		1,250	250	0	20	2,520	2,500
22mm Water Hose and Reel for Appliances	0	1,014	0	1,014		0	0	0	486	1,500	1,500
Vehicle Security	0	1,333	0	1,333		0	0	0	56	1,389	1,389
<b>FLEET &amp; EQUIPMENT PROJECTS</b>	<b>16,364</b>	<b>4,623</b>	<b>2,485</b>	<b>23,472</b>		<b>25,105</b>	<b>10,738</b>	<b>11,680</b>	<b>11,490</b>	<b>82,485</b>	
Projected Underspend	0	(6,686)	0	(6,686)		0	0	0	0	(6,686)	n/a
<b>CAPITAL EXPENDITURE TOTAL</b>	<b>39,098</b>	<b>(418)</b>	<b>(14,685)</b>	<b>23,995</b>		<b>53,858</b>	<b>31,741</b>	<b>24,251</b>			

### 1. Firefighter and Local Government Pension Schemes

- 1.1. The Fire Brigades Union has notified the Authority, along with 49 other Fire and Rescue Authorities, of a potential **discrimination claim** in connection with the transitional arrangements applicable to the 2015 Firefighters Pension Scheme, as explained in FEP2506. Any increase in the numbers receiving protection under the transitional arrangements may lead to a budget pressure. Any changes may also have an impact on other public sector pensions, including the LGPS. Although the Employment Tribunal (ET) had determined that the transitional (protection) arrangements, which were designed to protect those within ten years of normal pension age are objectively justified, a subsequent Employment Appeals Tribunal (EAT) allowed the firefighter's appeal on a narrow basis. The EAT has granted respondents permission to appeal.

### 2. London Pensions Fund Authority (LPFA) Pensions Administration

- 2.1. The London Pensions Fund Authority (LPFA) and Lancashire County Pension Fund (LCPF) have formed a partnership and from April 2016 created a wholly owned company, **Local Pensions Partnership** (LPP), to manage pension fund investment activities (only on the Local Government Pension Scheme (LGPS)) and also to provide pensions administration services, including to third party clients on the LGPS and the Firefighters' Pension Scheme. The Brigade continues on a shared service arrangement with the LPFA for the administration of the Firefighters' Pension Scheme but with the LPFA sub-contracting this to the LPP (FEP2644). The LPP has been on a transition plan to develop the way services are provided, based on experiences from LPFA and LCPF, and including delivering services across the multiple sites occupied by LPP. There have been some challenges during this transition period, and the service provided to LFB by LPP will be reviewed during 2018/19, including comparing this to alternative shared service options. There has been some upward pressure on the cost of the service, and this is part of the driver for the review.

### 3. Pay and Inflation

- 3.1. There is ongoing significant economic uncertainty as the Brexit negotiations continue. The impact of this is currently unclear, and so preparing forecasts for increases in general inflation remains difficult.
- 3.2. The Brigade has made a budget provision for a 2% **pay award** for all staff in this year's budget and an additional 1% for Operational and Control staff for the on-going pay negotiations from last financial year (also bringing this to 2%). Negotiations are continuing on the national firefighters pay award for 2017, and there is increasing pressure on the public sector pay cap.

### 4. Capital Expenditure and Financing

- 4.1. The capital budget is subject to change during the year. Initial project specification is key as it is important to keep variations to projects to a minimum, as change once a project has been agreed and commenced may result in additional costs. However even a well managed project can be subject to **re-phasing or deferral** due to a number of unforeseen issues, such as failure or default on the part of the contractor or exceptionally adverse weather conditions. This can also impact on funding requirements which in turn may have a debt charge (cost of borrowing) revenue impact.
- 4.2. All capital projects will require **third party collaboration** to varying degrees over the project life. The programme depends heavily on external factors and therefore can be subject to variation with the potential for delays in project delivery and revised cash flow requirements. The capital programme is managed on a monthly basis and is reported quarterly to the CAPS group (Capital, Approval, Planning and Strategy Group, chaired by the Director of Corporate

Services) where all changes to the programme are reviewed and substitution projects or re-financing proposals are assessed and agreed.

- 4.3. The debt charges arising from the capital programme have been calculated using the current forecast Public Works Loans Board (PWLB) rates. No allowance has been made in the capital programme for potential future **capital grants or contributions** and the Brigade will bid for available capital resources as and when such opportunities arise.
- 4.4. The Capital Programme for 2018/19 previously included a forecast capital receipt of £7.5m for the sale of **Clerkenwell Fire Station**. This receipt has now been deferred to 2019/20 and the future financing costs have been revised to reflect this change. If this property is not sold in 2019/20 this could result in an increased borrowing requirement and resulting capital financing costs estimated at £857k. This is based upon the current forecast capital programme and does not take account of any re-phasing or slippage that might occur.
- 4.5. The Brigade has entered into a conditional contract for the sale of the site of the former **Southwark Training Centre** with Hadston. The price specified therein was £54 million, payable in two equal tranches. Southwark Council has resolved to grant planning consent to Hadston and this was confirmed as acceptable by the Mayor. Terms have been agreed to reduce the price from £54m to £42.5m following receipt of the Valuer's Report confirming it represents best consideration. The price change reflects rising construction costs, worsening sales market and the requirement to include 22% affordable housing in the scheme which originally proposed zero social housing. The GLA has provided temporary funding to meet the shortfall in the capital receipt.
- 4.6. The new **LFB Training Centre** project has a dependency on PEG moving out of Croydon and any delay to the PEG/BDC development may have a knock-on effect on the delivery of the Training Centre programme. The lease agreement for the new combined PEG/BDC facility (Integrated and Equipment Logistics Project – IELP) has been recently signed and the fit-out/adaptation works are to commence later this year. The scope of the project is currently being reconsidered due to potential difficulties in delivering the project within the approved budget. Plans are in place to bring the project back within budget, including a full review of options. This review could potentially result in a change to the training centre leading to revenue costs for planning and design work carried out to date which would then be abortive, and therefore no longer treated as capital expenditure.
- 4.7. There is still uncertainty regarding **Plumstead fire station**, depending on a review of a new site. There is a risk that this new site may not be deemed suitable and therefore a decision will need to be made whether to instead refurbish the existing building, potentially with an extension. This uncertainty could result in delay and changes to the forecast spend for this project.
- 4.8. **Edmonton/Middlesex fire station** projects – Further feasibility work may result in a revised forecast for both these projects, depending on the agreed options, priorities and the agreed way forward.
- 4.9. The business case for the project to **Improve Security at Fire Stations** needs to be re-validated. This may result in the project being removed from the programme, or in delays to delivering this project.
- 4.10. **The Lambeth River Station** has been identified as a site requiring refurbishment. This is not currently included in the capital programme, therefore further funding may need to be requested/re-directed from other projects if deemed a priority. This is also the case for a number of other sites including the fire stations at North Kensington, Biggin Hill and Bromley.



4.11. The design and specification of the **replacement vehicles and equipment** is now underway following the commencement of the new contract in November 2014. Key risks relate to the contractor sourcing appropriate vehicle build options within a timeframe that meets fleet replacement requirements and which may in turn impact the Authority's cash flow. The forecast cash expenditure for 2018/19 and future years is based on the current assessment of the stage payment requirements for the pump replacement programme, which represents nearly 50% of the forecast Vehicles and Equipment expenditure in that period, and the delivery timings for the balance of the fleet replacement programme

5. Property Services

- 5.1. There are currently four sites awaiting disposal and it is not known exactly when they will be disposed of. Any delays to planned disposal will result in additional **security costs** for those sites.
- 5.2. **Energy budgets** have experienced underspending in recent years, in part because of the prudent assumptions used when calculating the budget requirement. Savings have been made that now set the budget at a less cautious level and as a result energy budgets overspent by £158k in 2017/18. As a result there is a risk of an overspend, for example because of a colder than average winter.
- 5.3. The cost of **replacement property contracts** are now likely to be above that previously forecast. Approval of the new contracts is currently being finalised. If approved, this will result in substantial increase in costs compared to existing contracts and the additional cost cannot be contained within approved budgets. Full details of costs are included in the report.
- 5.4. There is potential for further refunds in 2018/19 for new **business rate appeals** on 2010 rateable values if successful. Officers are awaiting confirmation of actual values from the Estates Management Consultant.
- 5.5. The **water and sewerage budget** was overspent by £71k in 2017/18 mainly due to deregulation of market increasing costs. There has only been a small inflation increase to the budget in 2018/19. A new water contract is due to be let shortly but it is likely there will be a budget overspend this year.

6. Collaboration, New Initiatives and Service Improvements

- 6.1. **Co-responding** had previously been piloted in four London Boroughs. If co-responding is later re-introduced across London this may result in budget pressures, if additional funding is not provided.
- 6.2. Discussions between officers and the FBU have now agreed a new watch structure in order to further improve the resilience of the Brigade by simplifying, yet strengthening, the **officer structure at stations** with the intention to reduce officer out duties and improve appliance availability. This will resolve some longstanding issues around appliance redeployment, address the issue of WMAs working alongside WMBs on the same watch and achieve some general efficiency improvements. This will ensure that watches are less reliant on staff from other stations to keep their appliances available for the shift through a more sequential use of acting up, out duties and redeployment of appliances. This would give a greater level of appliance availability throughout the shift, which when combined with the new approach to direct standbys, will maximise the resources we currently have. Work is now taking place to develop the implementation plan, including a full assessment of the costs of the new structure.

7. Emergency Services Mobile Communications Programme (ESMCP)

- 7.1. DCLG will replace the existing **Airwave contracts**, which expire in the period up to 2020 as part of the ESMCP. There could be significant financial pressures to LFEPA under any new contract provision. The current contract is subsidised and DCLG may be unwilling to continue to subsidise any future system. The budget plans also include a saving of £277k in 2021/22 for disbanding the project team. It is now clear that the forecast dates for the programme will change, work is continuing within the Home Office to update both the project timeline and the Full Business Case. It is currently expected that the revised timeline together with any impact on funding arrangements should be made known early in 2018. Once received the budget forecasts will be updated accordingly.
8. Contractual Pressures/ Risks
  - 8.1. Significant demand continues to be placed on the **Information and Communications Technology Department** to meet new requirements and aid in the development of smarter systems for the Authority. This is at a time where resources are limited and as a result there is a risk that development of information technology solutions may be constrained.
  - 8.2. There continues to be interim arrangements in place to support the Authority's **Command Support Unit system** software, due to the previous supplier ceasing trading. This means there is no formal arrangement yet in place to support the deployed version other than on a time and materials basis. There may then also be additional training requirements once a replacement system is implemented.
9. Changes to Income
  - 9.1. **Telecommunications income** in respect of radio masts may be reduced in the future due to a reduction in the number of operators in the industry and a potential change to legislation on access to land by operators.

**Financial Regulation 9:**

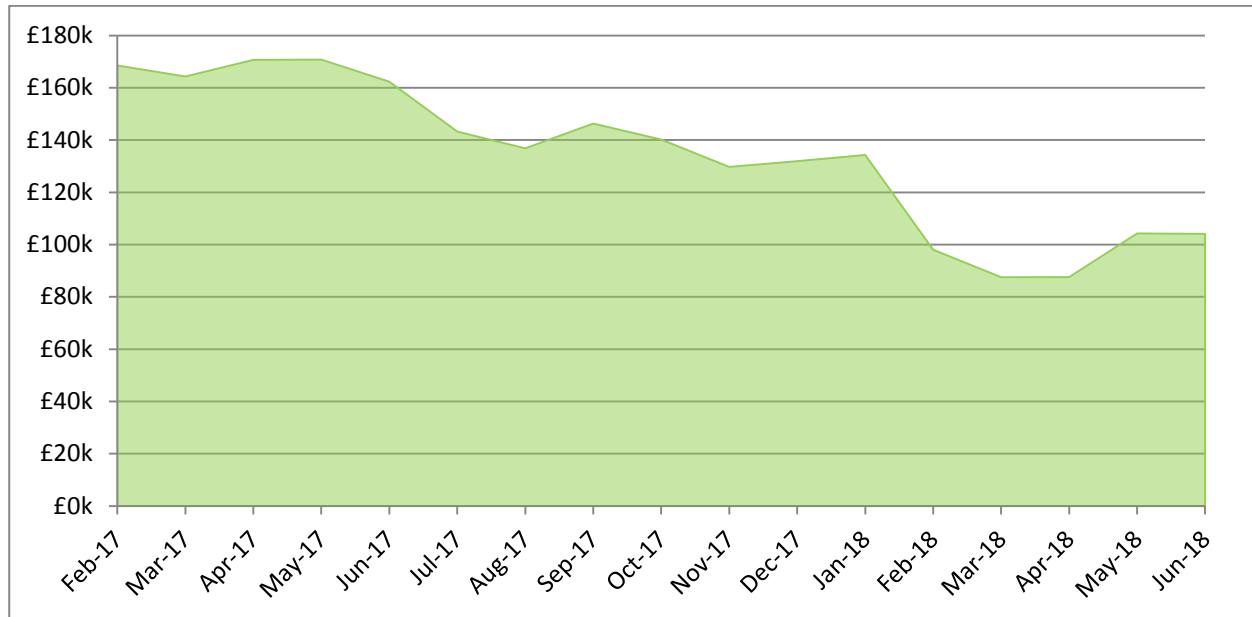
*"(b) With the agreement of the Director of Corporate Services, a Head of Service may transfer up to £50,000 from a budget head within that department's approved budget to a budget head within another department's approved budget, but if those budget heads are in different Directorates the agreement of the appropriate Director or Commissioner is also required.*

*(c) With the agreement of the Director of Corporate Services, Directors may transfer up to £150,000 from a budget head within that department's approved budget to a budget head within another department's approved budget.*

*(e) The Director of Corporate Services shall report all transfers under (b) and (c) to the Commissioner as part of the quarterly Financial Position reports."*

No transfers were processed in Quarter 1 that require reporting.

The chart below shows the amount of outstanding LIFT debts over the last 18 months, with £104k outstanding at the end of June 2018. The graph shows a continuing downward trend in the level of outstanding debt.



The table below shows the top five (worst) outstanding debtors for LIFT income.

	£ outstanding	Average Age in days	No of invoices
TESCO STORES LTD	6,036	1,093	17
LONDON BOROUGH OF LAMBETH	5,534	61	14
PERSIMMON PLC	4,315	306	11
WHITBREAD HOTEL COMPANY	3,530	440	9
NETWORK HOMES	3,223	990	9
Grand Total	22,639	594	60

The top five (worst) outstanding debtors, totalling £22,639, has continued to decrease over the past years. This reached a peak of £105k at the end of September 2015, reduced to £48k as at the end of September 2017 and has further reduced to £23k as at the end of June 2018. The continued joint effort by LFC staff has resulted in the positive progress made to date.

## Review of the top five debtors

### **Tesco Store LTD:**

Debt chasing letters have been sent to Tesco Stores within the North West and South East Areas. A payment was expected but has not been forthcoming. A joint referral has been sent to General Counsel's Department for legal action.

### **London Borough of Lambeth**

LB Lambeth have had a new payment system put in place this financial year which they assert as resulted in the delay in raising purchase order for payment. The outstanding debts are relatively new and are expected to be paid.

### **Persimmon PLC:**

Persimmon, Gallion Housing, Family Mosaic and Peabody Trust have now merged into Gallion Peabody Trust. Copies of all invoices have been sent but clarification is required as to whether invoices can be paid under the old company names or whether they need to be re-issued to the new company name.

### **Whitbread Hotel Company:**

This company had promised to pay their outstanding invoices but has not yet done so. Whitbread Hotel debts have been referred to General Counsel's Department for further action.

### **Network Homes:**

Officers have been informed that Network Homes is now operating under a new name, and further information on the new name/owner is now being pursued.

Ref	Department	Expenditure Item	Actual Spend in 2017/18	Forecast Spend in 2018/19	Forecast Spend in 2019/20	Forecast Spend in 2020/21	Forecast Spend in 2021/22
			£	£	£	£	£
C1	Procurement (Technical & Service Support)	<p><b>Extended Height Aerial Appliances x3</b></p> <p>Aerial appliances are used for a range of tasks at incidents which include providing a means of escape for firefighters working inside a building, as water towers, lighting and observation platforms and rescues, as just several examples. Greater height ladders have now become available on a similar size chassis to the Brigade's current fleet that could be effectively utilised at certain incidents within London.</p> <p>As part of the Brigade's existing plan to upgrade its aerial appliance fleet, planes are being progressed to procure extended height aerals.</p> <p>LFB have provided our vehicles and equipment contractor "Babcock" with a detailed output based specification (OBS) for three extended height aerial</p>	0	0	600,000	3,150,000	0

Ref	Department	Expenditure Item	Actual Spend in 2017/18	Forecast Spend in 2018/19	Forecast Spend in 2019/20	Forecast Spend in 2020/21	Forecast Spend in 2021/22
			£	£	£	£	£
		appliances to complement the twelve standard height aerial appliances which will be ordered at the same time. In May 2018, Babcock went to the market to invite tenders for the supply of all new aerial appliances, to include the supply of both standard and extended range appliances as a single contract. The window to accept tender proposals closed on 25 June and the evaluation process of the received tender proposals has now commenced. It is anticipated that the tender evaluation process will be concluded during July 2018, which should allow for a contract to be drawn up with the successful bidder during August/September 2018. The expectation will then be to see delivery of the new aerial appliances occurring between mid 2019 to early 2020.					
<b>C2</b>	Procurement (Technical & Service Support)	<b>Drones x2</b>  Drones provide an alternative option to requests for the support of police helicopters	0	28,000	0	0	0

Ref	Department	Expenditure Item	Actual Spend in 2017/18	Forecast Spend in 2018/19	Forecast Spend in 2019/20	Forecast Spend in 2020/21	Forecast Spend in 2021/22
			£	£	£	£	£
		<p>which is an extremely expensive option, is not always available, is not within our direct control and for some uses is not as effective as drones might be.</p> <p>Drone pilot training (x6) has been completed. PDA's for drone mobilisation have been identified and agreed with Brigade Control. Arrangements are being finalised for the commencement of the drone trial, which is expected to start in July 2018.</p>					
<b>C3</b>	Procurement (Technical & Service Support)	<p><b>Extended Duration Breathing Apparatus Sets</b></p> <p>LFB Standard Duration BA has a working duration of 31</p>	0	0	2,813,000	0	0



Ref	Department	Expenditure Item	Actual Spend in 2017/18	Forecast Spend in 2018/19	Forecast Spend in 2019/20	Forecast Spend in 2020/21	Forecast Spend in 2021/22
			£	£	£	£	£
		<p>minutes. Extended Duration BA has a working duration of 45 minutes.</p> <p>A 'Prior information notice' has been published via the emergency services blue light portal letting the market know of the intention to replace the Brigade's Respiratory Protective Equipment provision, which includes both standard duration and extended duration breathing apparatus. Six companies have registered an interest in the procurement, and preliminary meetings with suppliers are scheduled through July to outline timescales and requirements.</p> <p>Work is also undertake to formally commence the project, under the Brigade's project management arrangements.</p> <p>In the interim the Brigade is reviewing how it can deliver the current EDBA provision to incidents at an earlier stage via</p>					

Ref	Department	Expenditure Item	Actual Spend in 2017/18	Forecast Spend in 2018/19	Forecast Spend in 2019/20	Forecast Spend in 2020/21	Forecast Spend in 2021/22
			£	£	£	£	£
		both Fire Rescue Units and EDBA support pumps as well as the Operational Support Units.					
R1a	Procurement (Technical & Service	<b>Ongoing Maintenance for Capital Items in FEP2763</b>	0	0	150,000	150,000	150,000

## Update on expenditure approved in the Additional Resilience Requirements report (FEP2763)

## Appendix 6

Ref	Department	Expenditure Item	Actual Spend in 2017/18	Forecast Spend in 2018/19	Forecast Spend in 2019/20	Forecast Spend in 2020/21	Forecast Spend in 2021/22
			£	£	£	£	£
	Support)	Requirement of £150k for three aerial appliances					
R1b	Operational Policy	<b>Ongoing Maintenance for Capital Items in FEP2763</b>  £4k for Drones	0	4,000	4,000	4,000	4,000

Ref	Department	Expenditure Item	Actual Spend in 2017/18	Forecast Spend in 2018/19	Forecast Spend in 2019/20	Forecast Spend in 2020/21	Forecast Spend in 2021/22
			£	£	£	£	£
R1c	Procurement Technical Services and Support) Operational Policy	<b>Ongoing Maintenance for Capital Items in FEP2763</b>  This is the £613k for Extended Duration Breathing Apparatus Sets	0	0	0	613,000	613,000
R2	Operational Policy	<b>Improved USAR Kit</b>  <b>USAR specific drones:</b> To map the area and conduct localised or wide area search/casualty search. Can also enter danger areas and structures to minimise risk to crews.  Drone pilot training (x6) has been completed. PDA's for drone mobilisation have been identified and agreed with Brigade Control. Arrangements are being finalised for the commencement of the drone trial, which is expected to start in July 2018.  <b>WASPs:</b> Early Warning safety device for structural stability. Can also be used for Trench	0	79,000	20,000	20,000	20,000

Ref	Department	Expenditure Item	Actual Spend in 2017/18	Forecast Spend in 2018/19	Forecast Spend in 2019/20	Forecast Spend in 2020/21	Forecast Spend in 2021/22
			£	£	£	£	£
		<p>rescue and confined space working.</p> <p>Two units are currently on trial, available on request. These can be mobilised to an incident by the duty RSO. This unit will form part of the inventory on the next generation FRU.</p> <p><b>Pop-Up Tents:</b> To provide welfare/shelter for crews/command team in both inclement or sunny weather.</p> <p>Officers are carrying out an assessment of whether this equipment is required.</p> <p><b>Half Masks:</b> For crew welfare over long periods of use compared to full face, which can cause crews to overheat.</p> <p>80 USAR personnel have been fitted for half face respirators. This will form part of the personal PPE issue when resources allow the completion of face fitting for the remaining staff.</p>					

Ref	Department	Expenditure Item	Actual Spend in 2017/18	Forecast Spend in 2018/19	Forecast Spend in 2019/20	Forecast Spend in 2020/21	Forecast Spend in 2021/22
			£	£	£	£	£
R3	Procurement (Technical & Service Support) or Operational Policy	<p><b>Wicking T-Shirts</b></p> <p>A shirt which has the ability to breathe and keep the user's skin dry from sweat. The initial cost is based on estimate of £10 per shirt and allocation of five each for all firefighter and crew manager roles.</p> <p>An appropriate wicking t-shirt has been identified and staff group entitlement now agreed. A Communication message to instruct all USAR personnel to order wicking t-shirts was issued on the 28/6/18.</p>	0	247,000	57,000	57,000	57,000
R4a	HR Management	<p><b>Additional resources - Counselling and Wellbeing Team</b></p> <p>Changes in the nature of the Brigade's work have increased the workload of the C&amp;W</p>	68,836	210,960	210,960	210,960	210,960

Ref	Department	Expenditure Item	Actual Spend in 2017/18	Forecast Spend in 2018/19	Forecast Spend in 2019/20	Forecast Spend in 2020/21	Forecast Spend in 2021/22
			£	£	£	£	£
		<p>Team. The unprecedented nature of the Grenfell Tower fire has increased workloads on a significant and sustained basis. In addition to supporting colleagues who were impacted by the fire in the immediate aftermath, the team are supporting the collection of witness statements by the police and will be required to support individuals for months and years to come, up to and including the Public Inquiry.</p> <p>Four additional Counsellor posts (FRS E) are now in place.</p>					
R4b	HR Management	<p><b>Additional resources - Counselling and Wellbeing Team</b></p> <p>Further to the information above, to operate effectively the expanded C&amp;W team requires administrative support.</p> <p>A FRS B post to support the team and maintain critical and</p>	0	33,934	33,934	33,934	33,934

Ref	Department	Expenditure Item	Actual Spend in 2017/18	Forecast Spend in 2018/19	Forecast Spend in 2019/20	Forecast Spend in 2020/21	Forecast Spend in 2021/22
			£	£	£	£	£
		confidential records is now in place.					
R5	Fire Stations	<b>Increase in officer levels</b>  An increase in the Deputy Assistant Commissioner (DAC) establishment from 12 to 16 is required to provide greater resilience within the operational top management group. DACs provide strategic support at incidents that require eight or more fire engines. They are also integral to the Brigade's wider strategic response arrangements including to Major Incidents. The additional posts will support the ongoing day to day resilience within existing departments and provide the necessary level of managerial responsibility to the Brigade's Grenfell Investigation Team.	238,500	461,000	461,000	461,000	461,000



Ref	Department	Expenditure Item	Actual Spend in 2017/18	Forecast Spend in 2018/19	Forecast Spend in 2019/20	Forecast Spend in 2020/21	Forecast Spend in 2021/22
			£	£	£	£	£
		Four additional DAC posts are now in place.					

Ref	Department	Expenditure Item	Actual Spend in 2017/18	Forecast Spend in 2018/19	Forecast Spend in 2019/20	Forecast Spend in 2020/21	Forecast Spend in 2021/22
			£	£	£	£	£
R6	Commissioner's & Directors'	<p><b>Costs of the Investigation Team (excl. Legal costs)</b></p> <p>The establishment of this team was set out in the report on the Grenfell Tower Inquiry – Proposed Terms of Reference (FEP 2747). The associated legal costs are set out in a separate line below.</p> <p>The team is now in place to support work on the investigation. The number and make of the establishment is changing to meet organisational need, and now the public enquiry is under way. Additional equipment has been provided, for example to allow the review of CCTV footage.</p>	705,506	1,900,000	1,500,000	900,000	900,000

Ref	Department	Expenditure Item	Actual Spend in 2017/18	Forecast Spend in 2018/19	Forecast Spend in 2019/20	Forecast Spend in 2020/21	Forecast Spend in 2021/22
			£	£	£	£	£
R7a	Legal & Democratic Services	<p><b>Grenfell - Legal Support (External Legal Advisors)</b></p> <p>The Grenfell fire has led to the instigation of a Public Inquiry of which the Authority is a core participant. Additionally, a parallel criminal investigation into the fire is being carried out by the Metropolitan Police with support from the Brigade and HSE.</p> <p>The Brigade may be required to play an extensive role in each. The funding will meet the costs in backfilling posts of staff required to work on the Grenfell Tower case, and for external legal advice and representation.</p> <p>The 2018/19 forecast has decreased significantly from the previous update primarily due to updated forecast on likely costs of Junior Counsel. Forecasts for future years remain the same.</p>	504,657	909,691	1,272,000	0	0

Ref	Department	Expenditure Item	Actual Spend in 2017/18	Forecast Spend in 2018/19	Forecast Spend in 2019/20	Forecast Spend in 2020/21	Forecast Spend in 2021/22
			£	£	£	£	£
R7b	Legal & Democratic Services	<p><b>Grenfell - Legal Support (Disclosure Management)</b></p> <p>This funding is to meet the costs of a dedicated IT solution to enable effective management of the review and disclosure of documents for the purpose of disclosure in the legal proceedings noted above.</p> <p>The 2018/19 forecast has increased significantly from the previous update and is based on recent estimates provided by PA Consulting Ltd, which includes £216,000 of consultant support. The figures have been challenged and continue to be monitored closely. Forecasts for future years remain the same.</p>	95,631	437,933	150,000	78,000	0

Ref	Department	Expenditure Item	Actual Spend in 2017/18	Forecast Spend in 2018/19	Forecast Spend in 2019/20	Forecast Spend in 2020/21	Forecast Spend in 2021/22
			£	£	£	£	£
R8	Fire Station	<b>Overtime Support for Specialist Teams</b>  This is based on a 30 per cent increase in operational overtime at FRU and FRU/USAR Stations alongside overtime costs for Regulatory Fire Safety in relation to cladding inspections. For Fire Safety, the one off costs cover additional inspections in June and July 2017.	0	103,000	103,000	103,000	103,000
R9	Fire Safety	<b>Fire Safety resources to support and enhance the inspection programme</b>  The ongoing costs are for an additional resources to support the inspection programme.  Recruitment process is currently under way.	0	1,000,000	1,500,000	1,500,000	1,500,000

Ref	Department	Expenditure Item	Actual Spend in 2017/18	Forecast Spend in 2018/19	Forecast Spend in 2019/20	Forecast Spend in 2020/21	Forecast Spend in 2021/22
			£	£	£	£	£
R10	Legal & Democratic Services	<b>Review of staff support for Chair</b>  This was to consider whether additional support is required for the Deputy Mayor for Fire and Rescue  This is no longer required, and the budget will be removed.	0	101,000	101,000	101,000	101,000
R11	Fire Stations	<b>Potential cost of increased sickness</b>  It is anticipated that the aftermath of recent incidents will see an increase in sickness rates for operational staff, in particular. This sets out the overtime cost that will be expected to be incurred in covering the resulting gaps.	371,000	371,000	371,000	371,000	371,000

Ref	Department	Expenditure Item	Actual Spend in 2017/18	Forecast Spend in 2018/19	Forecast Spend in 2019/20	Forecast Spend in 2020/21	Forecast Spend in 2021/22
			£	£	£	£	£
R12	Development and Training	<b>Training</b> This includes additional training requirements for: <ul style="list-style-type: none"> <li>• Extended Height Appliances</li> <li>• Drone Piloting</li> <li>• Extended Duration Breathing Apparatus Sets</li> <li>• Improved USAR Kit</li> <li>• Smoke Evacuation Hoods</li> </ul> This also includes ongoing EDBA training Requirements  The spend for 2018/19 for drones training, with £5k for training already delivered.	0	7,000	477,000	477,000	477,000
R13 (new)	Finance Services	<b>Additional Borrowing Costs</b> Items funded through the capital programme will increase the overall level of external borrowing required over the current four year planning period and increase capital financing costs by an estimated £842k per annum.	0	0	0	608,000	608,000
R14 (new)	Operational Policy	<b>Improved Communications for Breathing Apparatus</b> A BA replacement project will	0	0	TBC	TBC	TBC

Ref	Department	Expenditure Item	Actual Spend in 2017/18	Forecast Spend in 2018/19	Forecast Spend in 2019/20	Forecast Spend in 2020/21	Forecast Spend in 2021/22
			£	£	£	£	£
		<p>shortly be underway to examine the next generation of BA and how this can be delivered to the LFB. Whilst telemetry is being identified as a consideration any additional communications requirements over an above the current (BARIE) sets can be included for consideration. Outline costs have yet to be determined.</p> <p>BA communications is now in scope of the Repertory Protective Equipment replacement project and the project is just starting. There are meetings with manufacturers scheduled through July to outline timescales. with the User requirement scheduled to go to suppliers by end of the calendar year.</p>					
R15 (new)	Operational Policy	<p><b>Smoke hoods</b></p> <p>This budget will be used to explore the viability of the purchase of smoke hoods for all front line appliances and is for the equipment costs only</p>	0	89,000	20,000	20,000	20,000



## Update on expenditure approved in the Additional Resilience Requirements report (FEP2763)

## Appendix 6

Ref	Department	Expenditure Item	Actual Spend in 2017/18	Forecast Spend in 2018/19	Forecast Spend in 2019/20	Forecast Spend in 2020/21	Forecast Spend in 2021/22
			£	£	£	£	£
		<p>and does not include any additional staffing costs that may be associated with getting this project up and running.</p> <p>There has been a slight delay in the procurement process because of the size of the order and the small modification made to the Escape Hoods (previously known as smoke hoods) pouch. Delivery is anticipated in September 2018.</p> <p>Procurement for this project is via the Devon &amp; Somerset FRS framework agreement</p>					
Total additional resilience requirements			<b>1,984,130</b>	<b>5,982,518</b>	<b>9,843,894</b>	<b>8,857,894</b>	<b>5,629,894</b>