



**LONDON FIRE
AND EMERGENCY
PLANNING AUTHORITY**

Report title

Review of Financial Outturn for 2013/ 14

Meeting

Resources Committee

Date

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Report by

Director of Finance and Contractual Services

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Summary

This report reviews the financial outturn for the 2013/ 14 financial year and sets out the position on the financial reserves.

Recommendations

1. That the report be noted; and
2. That the Head of Legal and Democratic Services be given delegated authority to spend up to a total of £100,000 on counsel in the upcoming Employment Tribunal case of Norris, Hearn and Rowson v LFEPA. This sum will take into account the expenditure already incurred.

Introduction/ Background

1. This report reviews the financial outturn for the 2013/ 14 financial year and sets out the position on the financial reserves. The financial position is the subject of regular quarterly monitoring to the Resources Committee and is also provided to the GLA.

Background to 2013/ 14 Budget

2. The 2013/ 14 budget report (FEP2032) reflected the Mayor's agreed budget. This budget was agreed by the Authority at its meeting on 28 March. This included £523k funding from the general reserve, £1,920k funding from earmarked reserves and total savings of £19,136k.

3. The final outturn for 2013/ 14 is £51k less than the approved revised budget of £400,771k. This underspend is within 0.01% of the approved budget. By comparison, in 2012/ 13 the underspend was £1,590k against a budget of £409,800k, an underspend of 0.4%
4. This report sets out a summary position on both revenue and capital, and then provides more detailed explanations. The outturn underspend consists of an underspend of £2,174k on staff budgets, £1,434k on the budgets related to the vehicle and equipment contract, £1,139k on premises costs, £1,034k on the central contingency for pay awards and inflation and £733k on firefighters pension costs. These are partly offset by an overspend of £1,611k on severance payments, £503k on compensation and £3,959k on expenditure related to strike action,
5. The financial position was last reported to the Resources Committee in March 2014 (FEP 2228). The actual outturn underspend has decreased against the position previously forecast by £19k. There are a number of additional underspends. These include £733k on firefighter injury pensions following a review of provisions as part of the final accounts process, £325k on operational staff due to the average rate of employers pensions contributions being lower than budgeted and £205k on FRS staff due to vacancy levels. There is also £208k on vehicle and equipment contract related budgets due to the reduced costs of the current contract fixed fee and asset finance in comparison to the previous contract with Premier FireServe. There are also a number of smaller underspends on computing £133k, interest payments £115k and income from the Metropolitan Fire Brigade (MFB) Act 1865 of £184k.
6. The above underspends are offset by an overspend of £808k on severance cost for operational staff which can now be funded from the overall underspend in 2013/ 14 and an under recovery on government grant income of £1,115k due the final instalment of the vehicle and equipment PFI revenue support grant being paid as a capital grant by DCLG. These items are discussed in more detail from paragraph 9 of this report.

Capital

7. The outturn on the capital programme for 2013/ 14 is an underspend of £6,660k. This is an increase in the underspend of £3,890k from that reported as at the end of December. A total of £2,054k has been re-phased into 2014/ 15, £1,432k has been re-phased to 2015/ 16 and the remaining £3,174k is as a result of various savings across the capital programme. This is considered in more detail from paragraph 56 of this report.

Tables and Appendices to this report

8. A summary of the financial position is provided in Table 1. The latest position on reserves is set out in Table 2. Appendix 1 contains additional detail on the financial position and sets out the final outturn position against all budgets as at the end of March 2014. Appendix 2 reports on the progress against the capital programme for 2013/ 14 and Appendix 3 shows the analysis of outstanding debt relating to charges for Shut in Lift attendances.

Table 1. Summary Financial Position

	31-Mar-14				Forecast Outturn Variance at Dec 2013	Movement between variance figures
	Original Budget	Revised Budget	Forecast Outturn	Outturn Variance		
	£000s	£000s	£000s	£000s		
Operational staff	260,321	261,877	259,950	(1,928)	(1,602)	(326)
Other staff	47,211	48,974	48,777	(197)	(64)	(132)
Employee related	3,694	5,574	7,569	1,995	1,182	813
Pensions	21,120	20,468	19,735	(733)	0	(733)
Premises	30,761	30,150	29,012	(1,139)	(1,016)	(123)
Transport	25,171	23,634	22,200	(1,434)	(1,198)	(236)
Supplies and services	40,179	41,438	41,798	360	461	(101)
Third party payments	1,447	1,506	1,452	(54)	(2)	(52)
Capital financing costs	10,900	10,900	10,556	(344)	(250)	(94)
Central contingency against inflation	3,992	1,034	0	(1,034)	(948)	(86)
Business Continuity	0	0	3,959	3,959	3,995	(36)
Total revenue expenditure	444,794	445,556	445,008	(548)	559	(1,106)
Other income	(29,124)	(28,929)	(29,557)	(628)	(638)	10
Net revenue expenditure	415,670	416,626	415,451	(1,175)	(80)	(1,096)
Use of general reserves	(523)	(523)	(523)	0	0	0
Use of earmarked reserves	(1,920)	(2,602)	(2,602)	0	0	0
Financing Requirement	413,228	413,502	412,326	(1,175)	(80)	(1,096)
Financed by:						
Specific grants	(12,457)	(12,731)	(11,607)	1,124	10	1,115
Revenue Support Grant	(163,500)	(163,500)	(163,500)	0	0	0
Retained Business Rates	(108,900)	(108,900)	(108,900)	0	0	0
Council tax requirement	(128,371)	(128,371)	(128,371)	0	0	0
Net Financial Position	0	0	(51)	(51)	(70)	19

Reasons for the Revenue Position

Staff

- The operational staff budget is £261,877k for 2013/ 14. Operational staffing represents 65% of the Authority's total revenue budget. The underspend against the operational staff budgets is £1,928k, a variance of 0.7% of the revised budget. The underspend is due to lower spend on operational overtime of £703k. This is as previously reported to the Resources Committee in March (FEP2228), and has led to savings of £220k, included in the 2014/ 15 budget (FEP 2225). The budget for operational overtime will be reviewed as part of the 2015/ 16 budget process. The underspend also includes pay deductions of £743k made following strike action

and an underspend of £480k due to the average rate of employers pensions contributions being lower than budgeted.

10. The Fire and Rescue Service (FRS) staff budget is overspent by £235k (0.6% of the FRS staff budget) as vacancy levels are lower than anticipated. The FRS vacancy margin is £585k and at the end of March, there are 23 vacancies and 33 agency staff.
11. The control staff budget is underspent by £491k due to vacancies. A recruitment campaign is currently on-going and these vacancies will be filled throughout 2014/ 15.

Staff Related

12. The severance budget has overspent by £1,611k, an increase of £808k from the previously reported position at the end of December. This is made up of the cost of FRS severance of £628k, to meet the savings in the 2014/ 15 budget (FEP 2225) and the cost of operational staff severance of £983k. It was previously reported to Resources Committee, in the January budget update and the final budget report in March, that it was intended to fund the cost of the operational severance trawl from the general reserve in 2013/ 14. This would have resulted in a temporary reduction in reserve levels below the stated minimum amount. Due to the additional underspends identified in the outturn position, it has been possible for the overspend on the severance cost to be contained within the Authority wide underspend.
13. There is an underspend of £134k on departmental budgets for staff professional development due to a reduction in the use of paid external training and conferences. Savings of £33k have been included in the 2014/ 15 budget (FEP 2225).
14. There is an overspend of £503k on compensation budgets due to compensation damages and costs payments of £293k and counsel fees of £210k. This budget is used for legal costs in connection with compensation related matters (personal injury claims, employment tribunals, damage to property claims, compromise agreements, etc.), compensation damages payments (agreed damages or damages awarded by the court) and compensation costs relating to the other parties legal costs. The overspend is based on expenditure of £1,855k, less use of the earmarked compensation reserve of £1,350k.
15. The 2013/ 14 budget included a budget of £245k for the expected amount of staff costs that would be recharged from revenue to the capital programme. The amount of staff costs that are chargeable to the capital programme in 2013/ 14 is lower than budgeted, creating an overspend in the revenue budget of £109k. This relates to the disposal costs for 8 Albert Embankment. These are staff recharges that can not now be carried forward and charged against the receipts arising from the new disposal process following the decision to terminate the existing sale agreement. (FEP 2184X)

Firefighter Pensions

16. There is an underspend of £733k on firefighter injury pensions. This underspend follows a review of provisions as part of the accounts process. In 2011/ 12, a provision of £750k for injury pensions was raised to meet possible future costs identified in finalising 29 cases that were reviewed as a result of the National Fraud Initiative cases (FEP 1927). This provision is no longer required and can be released. There are only two cases left. The rest of the cases have now been resolved and costs have been contained within the existing injury pensions budget. This is partly offset by a slight overspend of £17k on ill health retirement.

Premises

17. There is an underspend of £209k on building maintenance budgets. This includes an underspend of £70k due to credits received as the maintenance contractor has missed key performance targets. There is also an underspend of £84k due to a reduction in the amount of works being progressed through the SALIX energy efficiency scheme, these resources will be added to the earmarked reserve on the SALIX fund in order to provide ongoing support to future projects. There are further savings of £98k following the implementation of LSP5 which offset the overspends on security detailed in the paragraph below.
18. As previously reported to the Resources Committee in March (FEP 2228), there is an overspend of £96k on security at the stations closed as a result of LSP5. This overspend is offset by the above underspend on building maintenance.
19. There is an underspend of £350k on energy budgets, an increase of £60k since last reported to the Resources Committee in March. The underspend is due to improvements resulting from energy saving schemes (£240k), savings following the implementation of LSP5 (£40k), favourable weather conditions during 2013/ 14 (£35k) and price increases being lower than budgeted (£35k).
20. There is an underspend of £307k on rents. This includes a saving of £210k due to an agreement reached with the landlord to surrender the lease of City Forum on 24 June as previously reported to the Resources Committee in March. There is a reduction of £34k in the rental cost at West Norwood fire station due to an agreement with the landlord being completed later than planned, a £33k refund relating to service charges that were not incurred at a number of locations and £30k relating to a planned rent review at the Brigade Distribution Centre that was not required.
21. As previously reported to the Resources Committee in March (FEP 2228), there is an underspend of £237k on property rates which includes £29k relating to City Forum, £98k due to rates being agreed for Merton at a lower value than originally forecast and £110k due to savings achieved following the implementation of LSP5.

Transport

22. There is an underspend of £205k on vehicle running costs, a slight increase of £18k since last reported to the Resources Committee in March. This includes an underspend of £99k on fuel which reflects the average cost of fuel being below that budgeted, There is also an underspend of £106k on vehicle insurance claims due to a one-off release of a provision held against the potential cost of claims for previous years which have now been settled.
23. There is an underspend of £991k on the vehicle and equipment contract due to the reduced costs of the interim contract with Babcock, in comparison to the previous contract with Premier FireServe. The underspend will be used to fund the overspends on vehicle passthroughs, outlined below, and the Emergency Fire Crew Capability (EFCC) contract, due to a one-off payment to cover additional costs not included in the temporary contract, as detailed in paragraph 33.
24. There is an overspend of £354k on the vehicle pass-through budget for additional payments made for vehicle modifications, accident repairs and non fair wear and tear to vehicles. This

includes an overspend of £444k on Non Fair Wear and Tear (NFWT) repairs, partly offset by a £90k underspend on accident repairs. Due to the poor data provision issues inherited from the former contractor, the new contractor initially struggled to produce meaningful Non Fair Wear and Tear data. The overspend is offset by the above underspend on the vehicle and equipment contract.

25. There is an underspend of £67k on contract hire and operating lease budgets due to the contract hire for LIFE appliances now being covered by the new vehicle contract's fixed fee arrangement.
26. As part of the accounts process it has been possible to release £1,825k from the vehicle and equipment provision. £614k of this provision was used in 2013/ 14 to fund the cost of the retendering exercise. A further £514k that was to be used in 2013/ 14 to fund capital payments has been used to manage the impact of the final PFI vehicles grant from DCLG being paid as capital grant, as detailed in paragraph 47 below. The balance of £723k has been transferred to the earmarked reserve on vehicle and equipment to cover potential expenditure in 2014/ 15.

Supplies and Services

27. There is an underspend of £50k on operational equipment. This includes an underspend of £85k on the use of scrap cars at stations following management action to establish a rota to re-use some vehicles and to limit the numbers being used. This is partly offset by an overspend of £35k on repair and maintenance due to unbudgeted charges for repair and maintenance of equipment used by the Emergency Fire Crew contractor.
28. There is an underspend of £175k on the equipment, furniture and materials budgets following the implementation of LSP5 and due to savings from reusing office equipment and furniture at stations.
29. There is a underspend of £68k on operational equipment in respect of Lost and Non Fair Wear and Tear (NFWT) on the vehicle and equipment contract. This is because there are less repairs and replacements than budgeted.
30. There is an underspend on catering equipment budgets of £67k at fire stations following management action to reduce costs by purchasing the most cost effective equipment.
31. Clothing budgets have underspent by £85k as the requirements for clothing items were lower than anticipated. The underspend also includes £15k of savings from LSP5.
32. General office expenses budgets have underspent by £63k. This budget overspent by £50k in 2012/ 13, mainly due to additional expenditure on printing, and has been reduced following management action.
33. Professional services budgets have overspent by £891k. This includes an overspend of £334k on the Emergency Fire Crew Capability contract, due to a one-off payment to cover additional costs not included in the temporary contract. This is offset by an underspend on the vehicle and equipment contract set out in paragraph 23 above. There is an overspend of £304k relating to the disposal costs for 8 Albert Embankment in addition to staff recharges of £109k set out in paragraph 15. This is due to professional services costs that can no longer be carried forward and charged against the receipts arising from the new disposal process, following the decision to terminate the existing agreement on sale (FEP 2184X).

34. Taking into account the provisions that have been made, there is also an overspend of £292k on legal professional fees. In the main, this is due to expenditure in respect of fire safety prosecutions (and a portion of these costs are recovered), including anticipated Counsel costs relating to the potential Lakanal fire safety prosecution (in total, actual expenditure and the provision in respect of these matters alone amounts to £286k) and costs relating to the LSP5 judicial review.
35. During the course of the 2014/ 15 financial year, a litigation claim arising from the deduction of monies from salaries as a result of Crew Manager Starred (CM*) refusing to act up during the strike in 2010 is expected to be concluded. The claims were started by 368 firefighters in the employment tribunal in March 2011. The employment tribunal (ET) dismissed the claims on the grounds it did not have jurisdiction to hear claims for unlawful deduction of wages which arose during industrial action. However, three of the claimants appealed the judgment on a point which applied only to them and related to deductions made after the industrial action had ended. The employment appeals tribunal (EAT) has decided that the employment tribunal does have jurisdiction to hear these claims. The case has therefore been remitted back to the employment tribunal and will be heard between 29 – 31 October 2014. In order to try to limit costs, officers offered to settle the three claims. However, the claimants response was that the offer would only be accepted if the Authority conceded in open correspondence or by way of a judgment that the CM* status was not contractual. This concession has not been made because officers do not believe it to be a correct interpretation and counsel for the Authority has advised that the Authority has good prospects of succeeding with the defence of the claims. Such a concession could have the consequence of enabling the 368 dormant unlawful deduction of wages claims to succeed in the county court, which could cost the Authority in the region of £250,000 net plus interest.
36. The Head of Legal and Democratic Services has delegated authority (15(7)) to employ counsel in relation to any matter in which he deems it necessary or expedient in the Authority's interests, up to £50k in respect of each item. A separate delegation (15(9)) provides authority to incur expenditure to submit appeals and, based on the fact of a separate delegation, Legal Services has always treated appeal cases as separate matters. However, officers appreciate that this interpretation could be controversial and accordingly specific delegated authority is sought for the Head of Legal and Democratic Services to spend up to a total of £100,000 on counsel's fees. Expenditure on counsel's fees to date has been £37,900 on the ET case and £21,500 on the EAT case.
37. Additionally there is a spend on LSP5 implementation costs of £52k for vehicle movements costs and redistribution of personal protective equipment (PPE) held at the closed stations. These are partly offset by an underspend of £117k on the training contract due to abatements in year.
38. There is an underspend of £100k on staff reimbursements. £29k of the underspend is due to a reduction in the amount paid out for standby payments from petty cash, which are subject to an ongoing review. £18k relates to an underspend on member's allowances and £53k to a reduction in the amount of subsistence claimed at stations. Reductions in payments from petty cash and subsistence both reflect a reduction in the number of standby movements by operational staff.
39. As previously reported to the Resources Committee in March (FEP 2228), there is an overspend of £130k on advertising budgets, due to spend on advertising required to support the consultation on LSP5 of £91k, and expenditure of £62k in relation to the production and delivery of a targeted campaign following the Coroner's Inquest on Lakanal House (FEP 2072). These overspends are partly offset by an underspend on advertising in community safety of £22k.

External Financing Costs

40. There is an underspend on resources required to fund the Minimum Revenue Provision (MRP), the sum the authority is required, under accounting regulations, to set aside against external borrowing. As the 2012/ 13 capital programme was underspent, borrowing during 2013/ 14 is lower than expected, leading to a lower MRP and an underspend of £199k.
41. There is an underspend of £145k on interest payable because the borrowing requirement is lower than budgeted, due to the underspend on the capital programme. In addition, the borrowing taken in 2013/ 14 is at a much lower interest rate than anticipated, due to borrowing from other Local Authorities, rather than the Public Works Loan Board, and also due to borrowing over a shorter period than usual in anticipation of future capital receipts.

Central Contingency

42. The central contingency for pay and inflation has underspent by £1,034k. This underspend reflects a lower requirement from this contingency in light of the pay awards made this financial year, actual inflation requirements and salary progression increases. Savings of £948k have been included in the 2014/ 15 Budget (FEP 2225).

Business Continuity

43. The Commissioner's delegation for contingency arrangements in connection with the industrial action being taken by the Fire Brigades Union (FBU), stood at £6m at the end of 2013/ 14. The revised limit was approved by Appointments and Urgency Committee, and is subject to the agreement of the Director of Finance and Contractual Services where the expenditure on any one item exceeds £20,000 (FEP 2191).
44. The spend on business continuity in 2013/ 14 is £3,959k including the preparation cost, training, vehicle movements and equipment for appliances of £1,309k and a total of £2,650k on associated strike action. After taking into account the amount recovered from the pay of those firefighters who took part in industrial action (£743k - included in the operational staff outturn in paragraph 9) the total net cost of strike action in 2013/ 14 is £3,216k.
45. Six further strikes have been held since the end of March 2014 and the Appointments and Urgency Committee agreed a further increase in the Commissioner's delegation to £10m (FEP2246). The cost of the strikes in 2014/ 15, at £1,854k, will be included in the Quarter 1 financial position to be reported to Resources Committee in September 2014. The Commissioner will also continue to provide a weekly update to leading Members.

Income

46. The Metropolitan Fire Brigade Act 1865 reformed firefighter provision in London with establishment of a professional fire brigade and provision for funding. Under the Act insurers are required to send an annual return to the Authority detailing the gross amounts of property they insure against fire within the inner London Boroughs and the City. A payment is made by insurers to the Authority at a rate of £35 per £1m of gross amount insured. Officers have put dedicated resources into this area of funding in recent years, seeking to ensure that the Authority receives the income to which it is entitled under the Act. Income from insurance

companies under the Act over recovered by £689k due to one-off payments relating to previous years (£122k) and companies reporting an increase in the values insured (£566k). The 2014/ 15 budget (FEP 2225) includes an additional income budget of £700k.

47. There is an over recovery of £256k on Customer and client receipts income due to a one off recovery for accident repairs relating to a third party operator of an LFB Aerial Appliance (£151k) and for awarded costs in the LSP5 Judicial Review (£122k).
48. Income from interest receipts has recovered £100k less than budgeted. The rate of return has declined over the year from 1.1% in the first quarter to 0.6% in the last two quarters of the year, almost halving returns. The higher than expected cash flow demands, for severance and pension related payments, meant that average cash balances were also lower over the year.
49. There is an overspend on the provision for bad debts of £227k which includes an increase to the provision for mutual municipal insurance and an increase to the provision for outstanding debt. As advised to the Authority members in a briefing note from the Director of Finance and Contractual Services, on 19 November 2012, under the provisions of the former Mutual Municipal Insurance (MMI) scheme the Authority may be subject to a clawback of claim settlements received from the scheme whilst a member of the mutual. The amount of potential clawback is an additional £146k (set against bad debt for accounting purposes). The provision for outstanding debt has increased by £84k due to an increase in the amount of outstanding debt for shut in lift charges since the provision was last assessed as part of the 2012/ 13 financial accounts. We are looking at the possibility of court action to resolve this. Appendix 3 shows the current level of outstanding debt for shut in lift charges as at 31 March 2014.
50. Total income from specific grants in 2013/ 14 is £11.6m, against a budget of £12.7m. The difference is due to the final payment of the Vehicle PFI revenue support grant being paid as a capital grant by DCLG. The impact of this has been managed with the use of £0.5m from the Vehicle & Equipment provision, that was to be used in 2013/ 14 to fund capital payments, with the remainder contained within the Authority wide underspend.

Position on Reserves

51. The balance on the general reserve as at the end of March 2014 is £10,241k. This is £161k above the stated minimum general reserve position of £10,080k, based on 2.5% of budgeted net revenue expenditure for 2013/ 14. Table 2 sets out the position on the financial reserves as at March 2014.
52. It was previously reported to Resources Committee in March (FEP 2228) and in the January budget update, that it was intended to fund the cost of the operational staff severance trawl from the general reserve in 2013/ 14. This would have resulted in a temporary reduction in reserve levels below the stated minimum amount. Due to the additional underspends identified in the outturn position, the severance cost of £983k can now be managed within the Authority wide underspend.

Table 2. LFEPA Reserves for the 2013/ 14 Financial Year

£000s	Opening Balance at 01/ 04/ 13	Transfer between Reserves	Underspend in 2013/ 14	Use of Reserves in 2013/ 14	Anticipated Balance at 31/ 03/ 14
Compensation	0	1,500		(1,350)	150
Firefighters' Pension	652				652
General	13,540	(2,747)	51	(603)	10,241
Hazardous Material Protection	435				435
Hydrants	282	500		(445)	337
London Resilience	1,496				1,496
National Operational Guidance Programme	4,283			(907)	3,376
Pension Early Release Costs	514			(514)	0
Property PFI	245				245
Review of Property Services	118	250		(109)	260
Review of Workwear	0	128			128
Salix	114			81	195
Sustainability	235				235
Vehicle & Equipment Contract	631	369		723	1,723
Total	22,547	0	51	(3,125)	19,474

53. Movements on reserves in 2013/ 14 included a transfer from the general reserve, into earmarked reserves, of £2,747k approved in the 2013/ 14 Budget (FEP 2032). The draw from reserves includes a draw of £523k on the general reserve approved in the 2013/ 14 Budget (FEP 2032).

54. The drawing from earmarked reserves includes £1,350k to support expenditure on legal compensation, £907k to support the National Operational Guidance project, £514k from the pensions early release costs reserve to cover the cost of redundancy payments arising from savings proposals, £445k from the hydrants reserve to fund the backlog in hydrant maintenance by the water companies and £109k for the market testing of Property Services project.

55. The earmarked reserve on vehicle and equipment has been increased by £723k to cover the potential expenditure expected in 2014/ 15 as explained in paragraph 26 and £81k has been transferred from the general fund to the SALIX fund in order to provide ongoing support to these projects as detailed in paragraph 17.

Capital Outturn for 2013/ 14

56. The capital programme can span a number of financial years with projects taking from one to four years to complete. Budgets are approved on a project by project basis. Any underspend in one financial year can be carried across into the following financial year if the overall projected spend is within the approval budget limit for the project.

57. At the March Resources Committee the 2013/ 14 capital programme was approved at £25,954k (FEP2032). The projected spend included two new training facilities to be provided under the Babcock contract (£10.6m), rebuilding and modernising of fire stations (£11.4m), upgrading IT equipment and software (£1.1m) and Control and Mobilising System (CAMS) equipment (£2.9m). This capital expenditure was to be funded from £6,921k of capital grants, capital receipts of £1,400k, finance lease liability of £10,604k and borrowing of £7,029k.
58. The long term liabilities (£10.6m) detailed in the approved budget, that related to two new training facilities that were to be provided by means of a finance lease, as part of the training contract, are now provided under operational lease. They therefore, no longer require capital financing and can be removed from the capital programme for 2013/ 14 . The revised approved capital programme after this adjustment would be £15,350k.
59. Additionally, since the March Committee report (FEP2032), project budgets totalling £1,598k have slipped from 2012/ 13 to the current financial year, this has resulted in the revised capital budget for 2013/ 14 being £16,948k as reported at the September Resources Committee (FEP2135). This expenditure was to be financed from £6,921k of capital grants, capital receipts of £1,200k and borrowing of £8,827k.
60. The final outturn spend was £10,288k, resulting in a total underspend for the year of £6,660k. The capital expenditure was funded from £6,921k of capital grants, capital receipts £1,200k, and £2,167k of borrowing.
61. The forecast capital spend at the end of Quarter 3 was £14,178k, and the reduction of £3,890k relates to the following items, which are discussed in more detail below.
- a. Re-phasing to 2014/ 15 for the ICT Operating System Upgrade (£96k)
 - b. CAMS– re-phasing to 2014/ 15 (£838k)
 - c. Re-phasing to 2014/ 15 for the new West Norwood Fire Station (£474k)
 - d. Refurbishment of Plumstead Fire Station (£143k)
 - e. Refurbishment of Walthamstow Fire Station (£92k)
 - f. Energy conservation (£325k)
 - g. Building Energy Efficiency Programme (BEEP2) (£375K)
 - h. Re-phasing of three minor work projects at various fire stations to 2014/ 15 (£268k)
 - i. Re-phasing of Fire Safety works to 2014/ 15 (£179k)
 - j. Savings in the Development budget (£178k)
 - k. Savings for the fleet replacement project (£675k)
 - l. Various - other projects under £50k variance (£247k)
62. The Upgrade of the Operating System is nearing completion with the final stages of the project, to complete the upgrade to the SharePoint environment, expected to conclude in October 2014. £96k has been re-phased into 2014/ 15. The original approved budget for this project was £2,350k and the current projected outturn is £2,107k.
63. The CAMS Project has been delayed due to the supplier not being able to meet the delivery dates for the project milestones. This has impacted on capital spend for both the milestone payments and other LFB departmental spend. It was originally planned that the new system would be operational in July 2014 but it is now envisaged to be July 2015. £838k has been carried forward to 2014/ 15 and £2,270k has been re-phased to 2015/ 16 from 2014/ 15, which results in a revised budget for 2014/ 15 of £4,688k.

64. There is an additional underspend for new West Norwood fire station project, as a result of delays during January and February due to strong winds, which affected the installation of the pre-cast concrete slabs as part of the planned structural works. This led to a requirement to design and install additional temporary steel bracing to offer the building structural stability during the pre-cast concrete installation. This resulted in several weeks delay through the last quarter of the financial year, which impacted on the 2013/ 14 forecast outturn. As a consequence there has been an underspend of £474k that has been re-phased into 2014/ 15.
65. The refurbishment of Plumstead Fire Station is dependant upon identifying a suitable temporary location for the station whilst the works are completed. A feasibility study is been conducted to see if an appropriate location can be found. This includes whether a new permanent location could be identified which would allow the disposal of the old station. Anticipated design fees were therefore not spent in Q4 whilst this study is completed. The £143k maybe saved as the overall budget will require revision for 2014/ 15 depending on the agreed solution and whether a new site purchase price will be required. The total 2014/ 15 budget could be re-phased to later years but it is too early to determine. It is expected that this will be determined by October 2014.
66. The energy conservation programme has been affected by the inclement weather. This resulted in a delay in the installation of the solar photovoltaic panels at Twickenham fire station. Issues including a lack of communication from the landlord at Millwall fire stations, which were only resolved in Quarter 4, resulted in the installation of the combined heat and power unit at the station also being delayed. It is now planned to fund these works from the 2014/ 15 capital budget thereby resulting in a saving of £325k in 2013/ 14.
67. Works have been delayed on the Building Energy Efficiency Programme (BEEP2) due to incomplete design details from the contractor on the remaining energy conservation measures works planned for 2013/ 14. Workmanship on the project has been poor and further payments were withheld during the final quarter, until corrective action had been taken. Officers are still delaying further payments until the works have been corrected. These works will now be undertaken in 2014/ 15 and £375k has been slipped to cover the cost of these works.
68. The minor works projects (£268k) at Euston, Bethnal Green and Chingford fire stations have been delayed, in addition to the planned fire safety works (£179k). In December it was expected that these projects would proceed on time through the use of external consultants. However, a combination of the relationship with the contractor breaking down and the implementation of a departmental restructure within the LFB's Property Group (which commenced on 1 October 2013 and completed in April 2014, achieving full year financial savings of £256,186 for 2013/ 14 and £490,663 (FEP2041) for 2014/ 15 (overall reduction in staff of 10 posts)); resulted in managers picking up new references and contract management responsibilities, the combined effects of the above meant that some of the projected capital works for Q4 were not achieved. It is estimated that £169k is required to fund the minor works and £179k for the required fire safety works and accordingly these sum has been carried forward to 2014/ 15.
69. The development budget is a 'revolving fund' of £250k which is used for feasibility studies for potential future works. The costs are either charged to the capital project, if it is undertaken, or to revenue, if it is decided not to commence with the works. The feasibility spend for a potential project can cross two financial years. This is a saving of £178k for 2013/ 14 financial year.
70. Fleet Replacement Programme is largely dependent upon the new contract for vehicles and equipment. This has now been signed with Babcock, who will be responsible for the procurement of replacement assets in the future. The new contract which will start in November

this year includes a detailed vehicle and equipment replacement schedule which will be used to control future replacement projects. In the meantime there are 11 work streams being developed under the interim contract, Six projects totalling £920k were approved as at 31st March 2014. The remainder were delayed pending the contract award. £371k has therefore been carried forward into 2014/ 15. The budget requirement for 2014/ 15 has also been reviewed and the budget for 2014/ 15 has now been reduced to £19,656k, with some of the capital spend being deferred to later years. Detailed project management arrangements are now being put in place to ensure the delivery of the replacement programme in accordance with that new contract which has seen the ownership of all vehicles and equipment transfer back the Authority, allowing much greater control over the replacement process. The Vehicles and Equipment report on today's agenda includes an update on the Fleet Replacement Programme

71. Details of all the movements since the 2013/ 14 capital programme was agreed in March 2013 are shown in Appendix 2.
72. The 2013/ 14 budget (FEP 2032) included a proposed saving as a result of letting unused office space at Union Street. This was supported by a space use study which demonstrated that current and planned occupancy levels would allow space equivalent to a complete floor of the building to be vacated and sublet to another organisation. The saving was based upon an expectation that some building works would be required to facilitate this and that progress would be reported as part of the financial position report presented to the Resources Committee each quarter. Updates have also been provided as part of the budget process.
73. Prospective tenants have now been identified and the terms of their occupation agreed in principle. This is on the basis of a licence agreement as permitted by LFEPA's lease for the building where any sublet involves another member of the GLA Group. However the agreement for tenants outside the Group is subject to landlord approval. Further details about this are set out in the separate part 2 report on this agenda (FEP XXXX).
74. The final amount of space required and the cost and extent of any building works necessary to facilitate it will not be known until this and any subsequent negotiations are finalised. It is therefore proposed to proceed with the initial building works required to facilitate the sublet to tenants under licence using existing delegated authorities and request approval for any additional expenditure that may be necessary in excess of the delegated authority limit from the Chairman and group leaders using Standing Order 64. This is on the basis that this is funded from the existing capital programme and that the approval is required before the next formal meeting of this Committee. It is proposed in order to ensure that approval is only sought for expenditure that is definitely required.

Head of Legal and Democratic Services comments

75. The Head of Legal and Democratic Services has reviewed and has no comments on this report.

Director of Finance and Contractual Services comments

76. This report is presented by the Director of Finance and Contractual Services and there are no further comments.

Sustainability Implications

77. There are no direct sustainable development implications.

Staff Side Consultations Undertaken

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

Equalities Implications

79. This report has no equality implications.

List of Appendices to this report:

1. Financial Position, 2013/ 14 Outturn
2. Capital Programme 2013/ 14
3. Analysis of Shut In Lift Debtors

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
List of background documents <ol style="list-style-type: none">1. FEP 2032 2013/ 14 Budget2. FEP 2135 Financial Position as at the end of June 2013 (Quarter 1)3. FEP 2151 Financial Position as at the end of September 2013 (Quarter 2)4. FEP 2225 2014/ 15 Budget5. FEP 2228 Financial Position as at the end of December 2013 (Quarter 3)	
Proper officer	Director of Finance and Contractual Services
Contact officer	Adrian Bloomfield
Telephone	020 8555 1200 x31351
Email	adrian.bloomfield@london-fire.gov.uk

	As at 31 March 2014					As at 31 December 2013	
	Original Budget	Revised Budget	Forecast Outturn	Forecast Outturn Variance		Forecast Outturn Variance at Dec 2013	Movement between variance figures
	£	£	£	£	%	£	£
Operational Firefighters	260,320,582	261,877,143	259,949,553	(1,927,590)	(0.7%)	(1,601,858)	(325,732)
Firefighter Trainees	0	0	9,179	9,179	0.0%	9,179	(0)
Control Staff	6,285,811	6,405,330	5,914,564	(490,766)	(7.7%)	(513,728)	22,962
FRS Staff	40,925,539	42,568,195	42,803,240	235,045	0.6%	440,286	(205,241)
Total Other Staff	47,211,351	48,973,525	48,726,983	(246,542)	(0.5%)	(64,263)	(182,279)
Other Pensions Payment	990,000	1,504,000	1,555,886	51,886	3.4%	9,167	42,719
Severance	400,000	400,000	2,010,949	1,610,949	402.7%	802,833	808,116
Professional Development	521,539	508,100	373,704	(134,396)	(26.5%)	(43,772)	(90,624)
Recruitment	62,500	92,500	72,990	(19,510)	(21.1%)	(21,670)	2,160
Employee Related Insurance	190,000	190,000	153,483	(36,517)	(19.2%)	(35,000)	(1,517)
Compensation	1,400	1,351,400	1,854,688	503,288	37.2%	449,474	53,814
Medical & Welfare Expense	1,773,466	1,773,466	1,733,621	(39,845)	(2.2%)	(22,500)	(17,345)
Capitalised Staff Charges	(245,400)	(245,400)	(136,145)	109,255	(44.5%)	43,461	65,794
Total Employee Related	3,693,505	5,574,066	7,619,176	2,045,110	36.7%	1,181,993	863,117
Firefighter Pension Scheme	21,119,880	20,467,880	19,734,857	(733,023)	(3.6%)	0	(733,023)
Building Maintenance	7,365,363	7,197,297	6,988,720	(208,577)	(2.9%)	(160,843)	(47,734)
Grounds Maintenance	121,317	118,522	116,273	(2,249)	(1.9%)	(465)	(1,784)
Security	503,752	498,247	594,169	95,922	19.3%	95,650	272
Energy Costs	2,961,924	2,685,849	2,336,200	(349,649)	(13.0%)	(289,627)	(60,022)
Rents	6,156,216	6,301,069	5,994,266	(306,803)	(4.9%)	(200,131)	(106,672)
Property Rates	8,993,793	8,900,630	8,663,268	(237,362)	(2.7%)	(230,610)	(6,752)
Water Services	262,794	242,794	250,529	7,735	3.2%	(29,600)	37,335
Fixtures & Fittings	327,175	393,975	405,615	11,640	3.0%	(3,256)	14,896

	As at 31 March 2014					As at 31 December 2013	
	Original Budget	Revised Budget	Forecast Outturn	Forecast Outturn Variance		Forecast Outturn Variance at Dec 2013	Movement between variance figures
	£	£	£	£	%	£	£
Cleaning and Domestic Supplies	2,334,618	2,275,918	2,237,228	(38,690)	(1.7%)	(49,100)	10,410
Premises Insurance	432,000	432,000	371,228	(60,772)	(14.1%)	(42,000)	(18,772)
Other Property Services	1,302,107	1,104,003	1,054,171	(49,832)	(4.5%)	(105,858)	56,026
Total Premises	30,761,059	30,150,304	29,011,666	(1,138,638)	(3.8%)	(1,015,840)	(122,798)
Running Costs	2,878,219	2,561,438	2,356,146	(205,292)	(8.0%)	(187,007)	(18,285)
Vehicle and Equipment Contract	18,883,733	18,962,226	17,971,140	(991,086)	(5.2%)	(782,924)	(208,162)
Passthroughs	713,660	710,150	1,064,403	354,253	49.9%	250,380	103,873
Contract Hire & Operating Leases	1,301,300	1,397,645	1,330,585	(67,060)	(4.8%)	2,688	(69,748)
Travel	1,393,815	1,339,754	1,303,111	(36,643)	(2.7%)	(106,154)	69,511
Use of Provisions	0	(1,336,891)	(1,825,016)	(488,125)	36.5%	(375,000)	(113,125)
Total Transport	25,170,727	23,634,322	22,200,370	(1,433,952)	(6.1%)	(1,198,017)	(235,935)
Hydrants	3,500	1,126,538	1,123,200	(3,338)	(0.3%)	(3,000)	(338)
Operational Equipment	1,836,440	1,226,372	1,175,717	(50,656)	(4.1%)	(71,206)	20,550
Smoke Alarms	743,000	743,000	718,641	(24,359)	(3.3%)	(70,000)	45,641
Equipment, Furniture & Materials	702,975	677,731	502,393	(175,338)	(25.9%)	(114,044)	(61,294)
Lost & NFWT Operational Equipment	111,896	147,006	79,425	(67,581)	(46.0%)	(77,438)	9,857
Catering Equipment	152,254	175,754	108,912	(66,842)	(38.0%)	(43,568)	(23,274)
Clothing & Laundry	3,513,601	3,584,326	3,499,363	(84,963)	(2.4%)	(51,325)	(33,638)
General Office Expenses	490,271	482,321	419,511	(62,810)	(13.0%)	(47,047)	(15,763)
Professional Services	22,406,953	23,578,762	24,469,843	891,081	3.8%	679,421	211,660
Postal Services	88,730	93,230	83,446	(9,784)	(10.5%)	(104)	(9,680)
Telecommunications & Radio	3,337,684	3,337,501	3,326,562	(10,939)	(0.3%)	60,180	(71,119)
Computing	5,464,165	4,903,000	4,919,487	16,487	0.3%	149,424	(132,937)
Staff Reimbursements	713,309	721,413	621,210	(100,204)	(13.9%)	(92,398)	(7,806)
Grants and Subscriptions	175,565	180,470	163,285	(17,185)	(9.5%)	(8,467)	(8,718)

	As at 31 March 2014					As at 31 December 2013	
	Original Budget	Revised Budget	Forecast Outturn	Forecast Outturn Variance		Forecast Outturn Variance at Dec 2013	Movement between variance figures
	£	£	£	£	%	£	£
Other Insurance	195,000	195,000	213,348	18,348	9.4%	20,000	(1,652)
Advertising	50,205	164,935	295,002	130,067	78.9%	135,376	(5,309)
Other	193,118	100,588	78,844	(21,744)	(21.6%)	(4,465)	(17,279)
Total Supplies and Services	40,178,666	41,437,947	41,798,187	360,239	0.9%	461,339	(101,100)
Other Agencies	275,700	400,700	379,669	(21,031)	(5.2%)	0	(21,031)
Other Local Authorities	1,022,619	957,186	964,222	7,035	0.7%	(1,972)	9,007
Audit & Bank Charges	148,600	148,600	108,497	(40,103)	(27.0%)	(11)	(40,092)
Total Third Party Payments	1,446,919	1,506,486	1,452,388	(54,098)	(3.6%)	(1,983)	(52,115)
Debt Repayment	6,103,500	6,103,500	5,904,504	(198,996)	(3.3%)	(220,000)	21,004
External Interest	4,796,358	4,796,358	4,651,250	(145,108)	(3.0%)	(30,000)	(115,108)
Total Capital Financing Costs	10,899,858	10,899,858	10,555,755	(344,103)	(3.2%)	(250,000)	(94,103)
Central Contingency	3,991,687	1,034,076	0	(1,034,076)	(100.0%)	(948,000)	(86,076)
Business Continuity	0	0	3,958,951	3,958,951	0.0%	3,995,187	(36,236)
Total revenue expenditure	444,794,233	445,555,608	445,007,885	(547,723)	(0.1%)	558,558	(1,106,281)
MFB Act Income	(20,675,000)	(20,675,000)	(21,364,319)	(689,319)	3.3%	(505,770)	(183,549)
Customer & Client Receipts	(7,740,295)	(7,545,611)	(7,810,987)	(265,376)	3.5%	(147,302)	(118,074)
Interest	(708,600)	(708,600)	(608,527)	100,073	(14.1%)	(5,000)	105,073
Bad Debts	0	0	226,934	226,934	0.0%	20,000	206,934
Total Other Income	(29,123,895)	(28,929,211)	(29,556,900)	(627,689)	2.2%	(638,072)	10,383
Net revenue expenditure	415,670,339	416,626,397	415,450,985	(1,175,412)	(0.3%)	(79,514)	(1,095,898)

	As at 31 March 2014					As at 31 December 2013	
	Original Budget	Revised Budget	Forecast Outturn	Forecast Outturn Variance		Forecast Outturn Variance at Dec 2013	Movement between variance figures
	£	£	£	£	%	£	£
Contributions to/ (from) General Reserves	(522,835)	(522,835)	(522,835)	0	0.0%	0	0
Contributions to/ (from) Earmarked Reserves							
Compensation Reserve	0	(1,350,000)	(1,350,000)	0	0.0%	0	0
Firefighters' Pensions Reserve	(652,000)	0	0	0	0.0%	0	0
Hydrants Reserve	0	(445,138)	(445,138)	0	0.0%	0	0
National Operational Guidance Project Reserve	(1,139,858)	(907,078)	(907,078)	0	0.0%	0	0
Pensions Early Release Costs Reserve	0	(514,000)	(514,000)	0	0.0%	0	0
Review of Property Services	0	(108,534)	(108,534)	0	0.0%	0	0
Review of Workwear	(128,000)	0	0	0	0.0%	0	0
Vehicle & Equipment Contract Reserve	0	722,776	722,776	0	0.0%	0	0
Financing Requirement	413,227,646	413,501,588	412,326,176	(1,175,412)	(0.3%)	(79,514)	(1,095,898)
Financed by:							
Specific grants	(12,456,646)	(12,730,588)	(11,606,528)	1,124,060	(8.8%)	9,521	1,114,540
Revenue Support Grant	(163,500,000)	(163,500,000)	(163,500,000)	0	0.0%	0	0
Retained Business Rates	(108,900,000)	(108,900,000)	(108,900,000)	0	0.0%	0	0
Council tax requirement	(128,371,000)	(128,371,000)	(128,371,000)	0	0.0%	0	0
Net Financial Position	0	0	(51,352)	(51,352)	0.0%	(69,993)	18,641

CAPITAL PROGRAMME	Approved 2013/ 14 Budget with slippage	Outturn	Variance	Projected Outturn Qtr 3 2013	Variance from Qtr 3 2013	Notes
	£'000s	£'000s	£'000s	£'000s	£'000s	
APPROVED ICT PROJECTS						
ICT Projects						
Upgrade Operating System	160	28	(132)	124	(96)	1
Firelink project	152	155	3	174	(19)	
Telephone System (2+8) replacement at Fire Stations	0	33	33	22	11	
Changes to Authority's Core Computer Network	23	82	59	82	0	2
ICTS– Station Diary Upgrade	200	209	9	200	9	
ICTS– Data Warehouse	400	0	(400)	0	0	3
Redevelopment of the Intranet	250	97	(153)	100	(3)	4
Control & Mobilisation System Replacement (CAMS)	3,017	2,192	(825)	3,030	(838)	5
ICT – Building Control IT	80	0	(80)	30	(30)	6
Mobile Data Terminals Replacement	0	0	0	0	0	
Personal Radio Replacement	0	0	0	0	0	
ICT PROJECTS	4,282	2,796	(1,486)	3,762	(966)	
ESTATE PROJECTS						
Rebuild or Refurbishment at West Norwood Fire Station	4,001	3,312	(689)	3,786	(474)	7
Extension and Alterations at Holloway Fire Station	0	44	44	27	17	

2014/ 15 Budget (Mar 14)	C/ fwd from 2013/ 14	Revised 2014/ 15 Budget
£'000s	£'000s	£'000s
36	96	132
0	19	19
0	40	40
0	0	0
0	0	0
600	0	600
150	3	153
6,120	(1,432)	4,688
50	30	80
250	0	250
200	0	200
7,406	(1,244)	6,162
1,732	474	2,206
0	0	0

CAPITAL PROGRAMME	Approved 2013/ 14 Budget with slippage	Outturn	Variance	Projected Outturn Qtr 3 2013	Variance from Qtr 3 2013	Notes
	£'000s	£'000s	£'000s	£'000s	£'000s	
Refurbishment of East Ham Fire Station	0	0	0	0	0	
Refurbishment of Plumstead Fire Station	239	42	(197)	185	(143)	8
Feltham Fire Station – Internal alterations	70	0	(70)	0	0	9
Refurbishment of Acton Fire Station	0	0	0	0	0	
Business Continuity for PFI Projects (Phase 1)	0	85	85	81	4	10
Business Continuity for PFI Projects (Phase 2)	31	36	5	35	1	
Business Continuity for PFI Projects – Purchase of Mobilising Equipment	66	34	(32)	48	(14)	
Business Continuity for PFI Projects – Installation of ICT hardware at Orpington temporary station and new stations	64	0	(64)	41	(41)	
Heating at various stations	756	195	(561)	228	(33)	11
Window replacement at various stations	200	(45)	(245)	(29)	(16)	12
London Resilience Yards and Forecourts Project	505	474	(31)	505	(31)	
Walthamstow Fire Station	99	7	(92)	99	(92)	13
Sustainability Projects						

2014/ 15 Budget (Mar 14)	C/ fwd from 2013/ 14	Revised 2014/ 15 Budget
£'000s	£'000s	£'000s
400	0	400
1,289	143	1,432
0	0	0
150	0	150
0	0	0
30	0	30
40	0	40
188	0	188
900	0	900
200	0	200
0	31	31
0	92	92

Capital Programme 2013/ 14

Appendix 2

	Approved 2013/ 14 Budget with slippage	Outturn	Variance		Projected Outturn Qtr 3 2013	Variance from Qtr 3 2013	Notes
	£'000s	£'000s	£'000s		£'000s	£'000s	
CAPITAL PROGRAMME							
Energy Conservation/ Invest to Save Projects	1,312	797	(515)		1,122	(325)	14
Building Energy Efficiency Programme 2 (BEEP2)	564	189	(375)		564	(375)	15
Minor Improvement Programme	985	567	(418)		835	(268)	16
Corporate Property Project	50	2	(48)		13	(11)	
Appliance Bay Floors Resurfacing Programme Phase3	200	27	(173)		25	2	17
Appliance Bay Doors (Phase 3)	200	197	(3)		207	(10)	
Brigade wide Survey for Asbestos & Removal	175	61	(114)		58	3	18
Fire Safety Works at Fire Stations	1,032	540	(492)		719	(179)	19
Electrical works/ rewiring at Fire Stations	294	210	(84)		210	0	20
Refurbishment of Rear yards & Forecourts at Fire Stations	238	196	(42)		238	(42)	
Development costs	250	(11)	(261)		167	(178)	21
ESTATE PROJECTS	11,331				9,164		
OTHER							
Replacement of Fleet (FEP2103)	0	187	187		862	(675)	22
Command Support Unit IT (FEP2103)	0	334	334		390	(56)	22
Contingency	1,335	0	(1,335)		0	0	23
CONTINGENCY	1,335	521	(814)		1,252	(731)	

2014/ 15 Budget (Mar 14)	C/ fwd from 2013/ 14	Revised 2014/ 15 Budget
£'000s	£'000s	£'000s
625	296	921
500	375	875
600	234	834
50	0	50
200	0	200
200	0	200
50	0	50
932	179	1,111
0	0	0
0	42	42
250	0	250
8,336	1,866	10,202
21,642	(1,986)	19,656
0	0	0
1,360	0	1,360
23,002	(1,986)	21,016

Capital Programme 2013/ 14

Appendix 2

CAPITAL PROGRAMME	Approved 2013/ 14 Budget with slippage	Outturn	Variance		Projected Outturn Qtr 3 2013	Variance from Qtr 3 2013	Notes
	£'000s	£'000s	£'000s		£'000s	£'000s	
CAPITAL EXPENDITURE TOTAL	16,948	10,288	(6,660)		14,178	(3,890)	
Long-term Liabilities	10,604	0	(10,604)		0	0	24
TOTAL CAPITAL PROGRAMME	27,552	10,288	(17,264)		14,178	(3,890)	

2014/ 15 Budget (Mar 14)	C/ fwd from 2013/ 14	Revised 2014/ 15 Budget
£'000s	£'000s	£'000s
38,744	(1,364)	37,380
24,542	0	24,542
63,286	(1,364)	61,922

Commentary on outturn variances above £50k

Note	Project	Comment	Variance 2013-14 Revised Budget & Projected Outturn £000s	2013-14 Savings & (New Budgets)	Trf to 2014/ 15
1.	Upgrade of the Operating System	Issues with the infrastructure at the Merton site have introduced a significant delay to this project with a consequential cost impact. Due to the delay, additional software licensing fees are now required and the project is nearing completion with the final stages of the project, the upgrade to the SharePoint environment, is expected to conclude in October 2014. This has resulted in a final projected cost of £2,108k for the scheme against the original approved budget of £2,350k. £128k has be re-phased to 2014/ 15.	(132)	0	132
2.	Authority Core Network System	This project was completed in March 14. In order to finalise the project, external resources were required to facilitate the changes required to allow delivery to all LFB sites. This has resulted in a final projected cost of £1,368k for the scheme against the original approved budget of £1,350k.	59	(59)	0
3.	Data Warehouse	Due to delays in establishing the initial proof of concept, this scheme will now commence in 2014/ 15. £400k re-phased to 2014/ 15 in line with the project phasing. The project is projected to complete in 2016/ 17.	(400)	0	400

Note	Project	Comment	Variance 2013-14 Revised Budget & Projected Outturn £000s	2013-14 Savings & (New Budgets)	Trf to 2014/ 15
4.	Intranet Development	The ICT project for the redevelopment of the intranet is in progress and a contractor has been engaged to deliver the information architecture, design and specification requirements for the new intranet. The development stage of the project is due to complete in the summer of 2014 and the new intranet system to be operational in 2015. Due to the phasing of the work, £153k has now been re-phased to 2014/ 15.	(153)	0	153
5.	Control and Mobilising System (CAMS)	The CAMS Project has been delayed due to the supplier not being able to meet the delivery dates for the project milestones. It was originally planned that the new system would be operational in July 2015 but it is now envisaged that the July 2016. £2,270k has been re-phased to 2015/ 16.	(825)	0	825
6.	ICT building control system	The scope of this project has now been finalised and it is projected that the new system will be operational in September 2014. £80k has been re-phased to 2014/ 15.	(80)	0	80
7.	Rebuild of West Norwood fire station	The project costs have now been re-phased and the new station is projected to open in November 2014. £689k budget re-phased to 2014/ 15.	(689)	0	689
8.	Plumstead fire station refurbishment	The scheme for the refurbishment for Plumstead fire station is currently being developed.	(197)	0	197

Note	Project	Comment	Variance 2013-14 Revised Budget & Projected Outturn £000s	2013-14 Savings & (New Budgets)	Trf to 2014/ 15
9.	Internal alterations at Feltham fire station	A detailed appraisal has resulted in the downgrading of the proposed internal alterations works at Feltham fire station. It is now proposed to re-assign this budget to Acton fire station refurbishment project which commences in 2014/ 15.	(70)	0	70
10.	Business Continuity for PFI Projects (Phase 1)	Additional works have been required at the various host fire stations together with new furniture requirements, in order to accommodate the decant from the PFI fire stations.	85	(85)	0
11.	Heating Replacement at various fire stations	<p>The heating replacement schemes for Barking, Southgate, Biggin Hill and Sutton fire stations were re-phased to 2014/ 15 as it is appropriate for these works to be carried out outside the winter period.</p> <p>The works at Barking have now commenced and are expected to complete in October 2014. The heating replacement works at Southgate, Biggin Hill and Sutton fire stations are currently in the design stage and these projects are expected to complete in October 2014. These works are to be funded from the existing 2014/ 15 budget.</p>	(561)	561	0

Note	Project	Comment	Variance 2013-14 Revised Budget & Projected Outturn £000s	2013-14 Savings & (New Budgets)	Trf to 2014/ 15
12.	Window replacement works	The window replacement projects for New Malden (£100k) and Park Royal (£100k) fire stations were re-phased to 2014/ 15. The design stage for the New Malden works is about to commence with the scheme expected to complete in by January 2015. The works at Park Royal are currently under review and a decision is to be made shortly as to how and when to progress these works. The cost of these works will be funded from existing 2014/ 15 budget. In addition, the 2012/ 13 Stratford project came in under budget by £45k.	(245)	245	0
13	Walthamstow Refurbishment	Due to issues regarding the recycling water system the final payment for the refurbishment project has not been settled and is under negotiation.	(92)	0	92

Note	Project	Comment	Variance 2013-14 Revised Budget & Projected Outturn £000s	2013-14 Savings & (New Budgets)	Trf to 2014/ 15
14	Energy Efficiency Schemes	<p>Installations at Millwall and Twickenham were delayed on site by two months resulting in £296k being re-phased into 2014/ 15. The works at Twickenham are now complete and work will start shortly at Millwall, with completion expected in June 2014.</p> <p>A number of energy efficiency projects were being deferred to commence in April 2014, as it is appropriate for this work to be carried out outside the winter period. Planned works at Wandsworth have been completed with works currently being undertaken at Hammersmith and expected to complete in June 2014. The contracts for works at Wallington and Bethnal Green are to be awarded shortly and these schemes are expected to complete by September 2014. These works will be funded from existing 2014/ 15 budget.</p>	(515)	219	296
15	Building Energy Efficiency Programme	Works have been delayed due to incomplete design details from the contractor on the remaining energy conservation measures works originally planned for 2013/ 14.	(375)	0	375

Note	Project	Comment	Variance 2013-14 Revised Budget & Projected Outturn £000s	2013-14 Savings & (New Budgets)	Trf to 2014/ 15
16	Minor Improvement Programme	<p>The minor works projects at Euston (shower refurbishment) and Bethnal Green & Chingford (gates) fire stations were re-phased to 2014/ 15. The works at Euston fire station will shortly enter the design phase with the scheme expected to complete in December 2014. The design is in progress for the automated gates at Bethnal Green fire station, expected project completion January 2015 and the works are being undertaken at Chingford fire station and due to complete in August 2014.</p> <p>The planned works at Tottenham fire stations are no longer required as an alternative solution for the external training provider to provide the required accommodation is being progressed. This has resulted in a budget saving in 2013/ 14 of £184k.</p>	(418)	184	234
17.	Appliance Bay Floor Works	Due to poor weather at the end of last year, these works were unable to proceed as the operational vehicles can not be stored outside when there is a risk of frost. Accordingly the works were re-phased to 2014/ 15. The works at Ruislip fire stations have now been tendered and works will start in due course and should complete by October 2014. These works will be funded from existing 2014/ 15 budget.	(173)	173	0
18.	Asbestos Removal Works	The budget has been reduced following the slippage in the heating and window replacement works and the energy conservation projects. This resulted in a budget saving of £114k in 2013/ 14.	(114)	114	0

Note	Project	Comment	Variance 2013-14 Revised Budget & Projected Outturn £000s	2013-14 Savings & (New Budgets)	Trf to 2014/ 15
19.	Fire Safety Works	Savings have been identified by undertaking a targeted programme which reduces risk and offers the Authority best value for money and a couple of schemes planned for 2013/ 14 have slipped in 2014/ 15.	(492)	313	179
20.	Electrical works to fire stations	Savings have been achieved as the final tenders for the rewiring works at various stations are lower than originally estimated.	(84)	84	0
21.	Development Costs	The development budget underspent due to the reduction in the number of projects being undertaken during 2013/ 14. The development budget has been reduced accordingly. Development costs incurred have been charged to the relevant project budget.	(261)	261	0
22.	Vehicle and Equipment Replacement and Command Support Unit IT	There are 11 work streams in operation relating to the replacement of fleet and equipment. The exact requirements and specifications are currently being worked up. Capital items costing £892k were approved in 2013/ 14 and £521k was spent. Accordingly, £371k is being carried forward to 2014/ 15. The financing of this expenditure is included within report FEP1997 (Nov12), where it was approved that £2.3m, the final payment withheld from Premier FireServe, could be spent under delegated authority and accordingly was not included in the original capital budget for 2013/ 14.	521	(892)	371
23.	Contingency	Not allocated.	(1,335)	1,335	0

Note	Project	Comment	Variance 2013-14 Revised Budget & Projected Outturn £000s	2013-14 Savings & (New Budgets)	Trf to 2014/ 15
24.	Long-term liabilities – training centres	This provision is no longer required as two new training facilities that were to be provided by means of a finance lease, as part of the training contract, will now be provided under operational leases. Therefore no capital financing is required.	(10,604)	10,604	0
	Various		(114)	114	0
	TOTAL		(17,264)	13,542	3,722

Analysis of Shut-In-Lifts Debtors

Appendix 3

As at 31 March 2014, a total of 6,402 charges have been issued for lift releases since Jan 2010. Of this 513 (8.0%) have been outstanding for more than 30 days. This amounts to a total outstanding debt of £165k.

The table below shows an analysis of the number of outstanding invoices over 30 days. Only organisations with more than 1 outstanding invoice have been shown.

	30 to 60 days	60 to 90 days	90 to 120 days	120 to 365 days	Over 1 year	Total Outstanding	Total no of Invoices	% of invoices outstanding over 30 days
Housing Agencies/ Property Management Companies								
Lewisham Homes	7	0	0	22	47	76	78	97.4%
Homes For Islington	6	3	0	17	4	30	148	20.3%
Peabody Trust	0	0	0	12	6	18	34	52.9%
L & Q Direct	0	0	0	5	8	13	51	25.5%
Hanover of Hackney Limited	0	0	0	0	10	10	14	71.4%
Newmount Management Ltd	0	1	0	2	7	10	10	100.0%
Genesis Housing Association Ltd	1	0	0	5	3	9	13	69.2%
Metropolitan Housing Trust	0	1	0	3	5	9	39	23.1%
Ascham Homes	0	0	2	5	0	7	46	15.2%
Notting hill Housing	0	0	0	3	2	5	11	45.5%
Circle 33 Housing Trust	1	1	1	0	2	5	21	23.8%
Samuel Lewis Housing Trust Ltd	0	0	1	4	0	5	5	100.0%
Hounslow Homes Ltd	0	0	0	1	4	5	31	16.1%
Newlon Housing Group	0	0	0	2	3	5	17	29.4%
Housing 21	2	0	0	0	2	4	4	100.0%
Bemerton Villages Management	0	0	3	1	0	4	16	25.0%
Poplar Harca	0	0	0	2	2	4	170	2.4%
MCPS-PRSAIalliance Limited	0	0	0	0	4	4	4	100.0%
Peverel Property Mgmt Ltd	0	0	0	3	1	4	21	19.0%

Analysis of Shut-In-Lifts Debtors

Appendix 3

	30 to 60 days	60 to 90 days	90 to 120 days	120 to 365 days	Over 1 year	Total Outstanding	Total no of Invoices	% of invoices outstanding over 30 days
Etcetera Construction Services	0	0	0	1	3	4	4	100.0%
Phoenix Community Housing	0	0	0	1	3	4	4	100.0%
MP Real Estate W6 Car Parks Ltd	0	0	0	2	2	4	4	100.0%
Wallakers	0	0	0	0	4	4	4	100.0%
Family Mosaic	0	0	0	2	2	4	57	7.0%
Clapham Park Homes	0	0	0	1	2	3	18	16.7%
Brent Housing Partnership	2	0	0	1	0	3	90	3.3%
A2 Dominion Group	0	3	0	0	0	3	76	3.9%
Asra Housing Care	0	0	0	2	1	3	10	30.0%
Network Housing Group	0	0	0	1	2	3	5	60.0%
East Thames Group Ltd	1	0	0	1	1	3	19	15.8%
Swan Housing Association	1	0	0	1	1	3	15	20.0%
Orbit South Housing Assn	1	0	0	2	0	3	67	4.5%
Paramount Properties Ltd	0	0	0	0	3	3	4	75.0%
Peverel Retirement	2	0	0	1	0	3	13	23.1%
Metropolitan Housing	0	2	0	0	0	2	12	16.7%
Merton Priory Homes	0	0	0	2	0	2	2	100.0%
Riverside Housing Association	0	0	0	0	2	2	5	40.0%
Wandle Housing Association	0	0	0	1	1	2	4	50.0%
Cenmud	0	0	0	0	2	2	3	66.7%
Hackney Homes	1	0	1	0	0	2	337	0.6%
London Residential Health Care	0	0	0	0	2	2	2	100.0%
Islington & Shoreditch Housing	0	0	0	2	0	2	8	25.0%
Shepherd's Bush Housing Group	0	0	0	0	2	2	6	33.3%

Analysis of Shut-In-Lifts Debtors

Appendix 3

	30 to 60 days	60 to 90 days	90 to 120 days	120 to 365 days	Over 1 year	Total Outstanding	Total no of Invoices	% of invoices outstanding over 30 days
Rendall & Rittner Ltd	0	0	0	1	1	2	10	20.0%
Clapton Park Management Org.	0	0	0	2	0	2	3	66.7%
Notting Hill Housing Home	0	0	0	1	1	2	4	50.0%
Om Property Management	1	0	0	0	1	2	7	28.6%
The Hyde Group	2	0	0	0	0	2	3	66.7%
London Borough								
London Borough of Wandsworth	0	0	0	0	22	22	22	100.0%
London Borough of Tower Hamlets	9	7	5	0	0	21	484	4.3%
London Borough of Ealing	1	0	1	16	0	18	44	40.9%
London Borough of Camden	8	1	0	2	3	14	705	2.0%
London Borough of Greenwich	1	5	0	5	0	11	150	7.3%
London Borough of Southwark	1	1	0	6	1	9	625	1.4%
London Borough of Islington	0	0	4	1	1	6	75	8.0%
City of London	0	0	0	1	3	4	12	33.3%
London Borough of Croydon	0	1	0	3	0	4	13	30.8%
City of Westminster	0	0	0	1	2	3	5	60.0%
Other								
Tesco Stores Ltd	0	0	0	7	2	9	20	45.0%
Accord Lift Services	0	0	0	4	0	4	5	80.0%
Marks & Spencer Plc	0	0	0	2	1	3	10	30.0%
Sainsbury's Supermarkets Ltd	0	0	0	0	3	3	3	100.0%
First Capital Connect Limited	0	0	0	1	1	2	2	100.0%
Isotop Ltd	1	1	0	0	0	2	3	66.7%

Analysis of Shut-In-Lifts Debtors

Appendix 3

	30 to 60 days	60 to 90 days	90 to 120 days	120 to 365 days	Over 1 year	Total Outstanding	Total no of Invoices	% of invoices outstanding over 30 days
Premier Inn - Hammersmith	0	0	0	2	0	2	2	100.0%
IDS	0	0	0	1	1	2	4	50.0%
Shurguard Self Storage	0	0	0	1	1	2	7	28.6%
Baker Tilly	0	0	0	0	2	2	2	100.0%
Other Public Sector - Transport For London	0	0	0	0	3	3	3	100.0%
Organisations with one or less outstanding charge	12	6	1	15	28	62	2677	2.3%
TOTAL	61	33	19	180	220	513	6402	8.0%