



LONDON FIRE BRIGADE

LFC-24-027

Final 2024/25 Budget

Report to:

Investment & Finance Board
Commissioner's Board
Deputy Mayor's Fire and Resilience Board
Audit Committee
London Fire Commissioner

Date:

28 February 2024
07 March 2024
2 April 2024
13 May 2024

Report by:

Assistant Director, Finance

Report classification:

For decision

For publication

I agree the recommended decision below.

Andy Roe

London Fire Commissioner

Date This decision was remotely
signed on 28 March 2024

PART ONE

Non-confidential facts and advice to the decision-maker

Executive Summary

This report presents the London Fire Commissioner's (LFC) final draft revenue and capital budget for 2024/25 for approval.

Recommended decisions

The London Fire Commissioner

That the London Fire Commissioner agrees that:

1. Subject to the decisions below, a 2024/25 revenue budget of £495.1m be approved, being made up of net expenditure of £545.8m with £5.4m of funding from the Budget Flexibility Reserve, £18.5m from other earmarked reserves and £26.8m funding from specific grants;
2. The revenue estimates, as set out in Appendices 1, 3, and 4, showing proposed savings, growth, and budget movements, are approved;
3. The establishment changes associated with the 2024/25 revenue budget, as summarised in Appendices 1, 3, and 4, are approved;
4. The capital programme with gross expenditure in 2024/25 of £29.3m, as set out in Table 5, be approved;
5. The capital strategy at Appendix 6 is approved for publication.

1 Introduction and background

- 1.1 This report updates the budget proposals included in the Budget Submission to the Mayor in November 2023 (LFC-23-107y). It proposed a balanced revenue budget for 2024/25 which is in line with the funding agreed for the LFC of £470.4m. In the Mayor's Final Draft Consolidated Budget, which was considered at the meeting of the London Assembly on 22 February 2024 this was uplifted to take into accounting changes in funding assumptions and these are detailed further in paragraph 3.8.
- 1.2 The report also updates the Medium-Term Forecast and savings and growth proposals as the estimates included in these have been refined as part of concluding the budget process.
- 1.3 The Capital Programme and Capital Strategy for the LFC have also been reviewed and updated proposals set out in this report.

2 The Mayor's Final Draft Consolidated Budget

- 2.1 The Mayor's final draft budget was approved without amendment by the London Assembly on 22 February 2024.
- 2.2 The Mayor is proposing to increase the fire element of his precept by £4.26 in 2024-25 to £66.74 (Band D) – equivalent to the monetary impact of a 2.99 per cent increase on the 2022-23 non police precept – which is below the maximum 3 per cent allowed before a referendum is required under the draft council tax referendum principles for 2024-25 for equivalent fire and rescue authorities in England.
- 2.3 The Mayor has also reviewed his assumptions regarding business rates income and increased forecast levels in 2024/25. This also includes the funding provided to the LFC.

3 The Budget Development Process

- 3.1 The Mayor's Budget Guidance for 2024/25 for the Greater London Authority (GLA) and the functional bodies was issued on 14 July 2023. The Guidance sets out the Mayor's key policy priorities to be reflected in future years' budgets, the proposed funding levels he intends to provide for each functional body, the financial context, and the planned timetable for budget preparation for the GLA Group.
- 3.2 In his Budget Guidance the Mayor has used indicative funding levels from retained business rates, council tax precept income, and Group wide reserves to determine the total funding he plans to provide the LFC from the resources under his control.
- 3.3 The Mayor then set out funding totals for each functional body, which are all based on a "central scenario" assuming a 2 per cent increase in business rates in line with inflation, a 2.99 per cent increase in council tax precept, and an increase in the council tax base of 1.5 per cent each year.
- 3.4 The LFC's Budget Submission to the Mayor was agreed and published on the LFC's website on 24 November 2023 to meet the requirements of the Guidance. In the submission the LFC proposed savings of £16.3 million in addition to a £3.8 million use of the budget flexibility reserve to achieve a balanced budget in 2024/25. The report then set out budget gaps of £5.9 million and £16.4 million in 2025/26 and 2026/27 respectively.
- 3.5 The Mayor published his Consultation Budget and Draft Capital Spending Plan for 2024/25 for consultation on 19 December 2023. This consultation closed on Wednesday 10 January 2024. The Mayor proposed to provide funding of £470.4 million for the London Fire Commissioner in that year, in line with the amount included in the LFC's Budget Submission to the Mayor, so there was no need to respond to the consultation.
- 3.6 Following the Mayor's consultation on his draft budget he published his Draft Consolidated

Budget on the 17 January 2024.

- 3.7 The Mayor then published his Final Draft Consolidated Budget 2024/25 on 14 February 2024 which included further increases to LFC funding allocations of £3.0 million from 2024/25 onwards. In addition, the base level of funding from the GLA now incorporates the £21.7 million that had previously been provided directly from the Home Office.
- 3.8 As set out in the section above the Mayor's Final Draft Consolidated Budget has now been agreed. Table 1 below sets out a summary of the funding proposed by the Mayor for the LFB over the three-year planning period. This shows that the Mayor is indicating a total increase in LFB funding of £38.8 million from 2024/25 levels to 2026/27.

Table 1: Funding Proposed by the Mayor

	2024/25 £m	2025/26 £m	2026/27 £m
LFC's Budget Submission to the Mayor / Mayor's Consultation Letter to the LFC	470.4	489.4	509.2
Mayor's Final Consolidated Budget			
Pension Grant re-allocated to GLA funding	21.7	21.7	21.7
Additional Funding Allocated	3.0	3.0	3.0
Total Revised GLA Funding	495.1	514.1	533.9

4 Budget Process 2024/25 Core Themes

- 4.1 The budget process was aligned to the strategic ambition in the Community Risk Management Plan (CRMP) which is being delivered through eight programmes which equate to each of the commitments in the CRMP and are described in Appendix 1. Each programme submitted budget bids based on known and anticipated funding requirements for the next phase of transformation. These bids, as far as possible, included any additional funding requirements of departments supporting delivery of that change.
- 4.2 Departments were also asked to submit investment bids for improving core / business as usual services and focusing on opportunities for efficiencies and productivity improvements.
- 4.3 As part of these three core themes were developed: CRMP Delivery, Business as Usual, and Efficiencies and Savings. One of the key areas of investment for the coming year is to ensure firefighters are trained and equipped to deal with the environments they can expect to encounter within modern-day London.

5 Modern Firefighting and Training

- 5.1 Firefighting in 21st century London is more complex and multifaceted than it has ever been before with a variety of risks, threats, and challenges to both respond to and prepare for. The Grenfell Tower Fire, Manchester Arena Attack, numerous terrorist attacks in London, wildfire/climate change challenges, and new and emerging technologies creating additional complexity, means the need for a significant investment in realistic training is going to be critical for LFB over the short, medium, and longer term.
- 5.2 The current training offer, whether provided by Babcock or through local delivery, requires a radical overhaul to ensure it meets the demands of an emergency service responsible for the safety of a global city. The LFB currently has a good baseline level of training provision, but it is clear from experiences over the last few years that it is no longer aligned to the risks faced today, or those anticipated for the future, so requires significant investments and resource to address this gap.

- 5.3 To respond to this challenge, the LFB is proposing to significantly improve initial training provided to firefighters in development (FFD), including lengthening the course for trainees from thirteen weeks to fifteen weeks. Also continuing to deliver large scale exercises such as high rise and basement scenarios but in a more coordinated and joined up way – ensuring firefighters, officers, and control staff are exercising ever more realistic scenarios. Finally, to develop an urban firefighting course, based at a new London Centre of Excellence, that will ensure that LFB is providing cutting edge training that tests firefighters, officers, and control staff in the most realistic fire and rescue scenarios available. London is the most complex risk environment in Western Europe, with no comparable city in the UK, the LFB therefore requires a training offer that genuinely reflects this complexity, thereby helping to provide a worldclass fire and rescue service and supporting the capital's firefighters to be as safe as possible, even in the most challenging situations.
- 5.4 For additional context, all Home Counties' Fire and Rescue Services have Positive Pressure Ventilation (PPV) and water misting technology as part of their firefighting capability. LFB currently does not have this provision yet attends more fires than any other service in the UK. The additional funding being requested will use a phased approach to firstly address this capability gap (which means delivery of a safer and more effective service), thereafter, to deliver more realistic training scenarios that are linked to National Operational Guidance (NOG) and then longer term, develop a new urban firefighting course to be delivered from a new London Centre of Excellence. It is a priority for the LFB, as part of its CRMP, to ensure the Brigade is delivering services that reflect the risk in London. How we train our firefighters, officers, control, and FRS staff is central to this strategic intent and we know the current provision, whether delivered by Babcock or from within the LFB is not matched to the risk that has continued to evolve over recent years. This is why investment is being sought from FFD provision all the way through to a new urban firefighting course, with the requisite infrastructure and delivery supporting this to ensure the LFB is providing its staff the necessary skills and capabilities to meet the demands London poses both now and in the future.
- 5.5 Due to the large-scale investment required in this area and past decisions made around training provision (notably the outsourcing to Babcock in a long-term contract), it will not be achievable for LFB to deliver the level of capability uplift required from existing revenue budgets and also to deliver a balanced budget, without making significant reductions to services.
- 5.6 At this point the LFB is proposing a special investment bid to fund the overhaul in training that is referred to above. The LFB would be looking to contribute £20.0 million from the Fire Safety Improvement reserve over the next two years to improve the safety of Londoners through the investment in training and associated equipment. The LFC would then be looking for support from central and local government to sustain the required investment over the longer term.

6 Budget Update

- 6.1 The financial pressures and reductions within the LFC's Medium Term Financial Planning (MTFP), investment and savings have been kept under review and the table below sets out the additional changes that have been identified following the publication of the LFC's budget submission to the Mayor on 24 November 2023. Additional details on each item are set out in appendix 2 which are then included as part of updated savings and investment proposals in appendices 3 and 4.

Table 2: Updates to MTFP since 24 November 2023 submission

	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)
Medium Term Assumptions			
Utilities	1.0	1.0	1.0
Business Rates Review	1.2	1.7	1.7
PFI Contract	0.2	0.2	0.2
Finance System	0.1	0.1	0.1
Medium Term Assumptions (Total)	2.5	3.0	3.0
BAU			
Carbon Net Zero	0.0*	0.0*	0.0*
Misting Lances Maintenance	0.0*	0.0*	0.0*
Finance System Savings	0.1	0.1	0.1
Contaminants	0.1	0.0	0.0
BAU (Total)	0.2	0.1	0.1
CRMP			
Culture Transformation Programme	1.9	2.2	2.3
Streamlined Services Programme	0.2	0.2	0.2
Change Capability Programme	0.1	0.0	0.0
CRMP Total	2.2	2.4	2.5
Total Gross Pressures	4.9	5.5	5.6
Changes to Capital Strategy	0.2	(1.2)	(2.4)
Phasing of Investment	(0.7)	(0.4)	(0.4)
Profile Amendments to BFR Drawdown	(1.4)	(4.9)	0.0
Additional Funding Allocation	(3.0)	(3.0)	(3.0)
Total Gross Reductions	(4.9)	(9.5)	(5.8)
Total Net Impact	0.0	(4.0)	(0.2)
24 November 2023 Budget Position	0.0	5.9	16.4
Revised Overall Budget Position	0.0	1.9	16.2

*These items are less than £50k of investment and therefore rounded to 0.0.

Pay

- 6.2 National and local negotiations around pay for 2024/25, including through the National Joint Council (NJC) for operational staff, are underway. As noted in the November budget submission, the assumptions underpinning the overall LFC budget for 2024/25 is for a pay award of 3.0 per cent across all staffing groups, which then falls to an assumed 2.0 per cent pay award in future years which is linked to the longer-term target on inflation and therefore the potential for future pay awards to fall in line with this.
- 6.3 The Operational and FRS staff groups are also both undergoing a pay review. As part of the Fire Brigade Union's 2022 pay claim, they set out a number of points for FRS Chiefs to consider which would result in a fair pay increase. This included the introduction of skills payments. The London Fire Commissioner is committed to ensuring that firefighters are paid fairly for the work they carry out and is grateful for the support previously provided by the Mayor of London and GLA.
- 6.4 LFB is proposing skills payments for operational staff who possess specific skills that enable them to undertake specialist roles within the Brigade. This will address a long-standing failure to resolve the need to incentivise and appropriately reward those undertaking specialist roles with additional skills and training requirements which are crucial to London's operational response. The proposals are being finalised, with an estimated ongoing cost of £2.5m.

- 6.5 A key aim of the FRS pay review is to ensure that the pay and reward system for professional support services remains competitive, to enable the LFB to attract and retain talent. The review is underway and still to report its final recommendations and as a result no resulting costs are included in this report. Once that review is complete, this position will be updated in future reporting.
- 6.6 During 2023/24 LFB enhanced its maternity and adoption pay. A wider review of other family friendly policies will follow. Subject to the final outcomes from the holistic review it is currently not feasible to assess the financial implications on wider support for parents. However, this will continue to be reviewed in light of further updates.

Income Review

- 6.7 MFB Act Income is a large income source to LFB and therefore this source of income alongside other income streams are reviewed on an annual basis. Factored into the budget assumptions are an increase of £0.5 million per annum both in 2024/25 and 2025/26.

Inflation

- 6.8 Inflationary pressures are continuing to be reviewed as part of budget process, ensuring contract inflation is adequately resourced throughout the MTFS. Likewise, where contract or service amendments have occurred that result in savings to existing expenditure that these are also reflected.

Grants

- 6.9 The Budget for 2024/25 includes anticipated grant income of £26.2 million, including a range of grants. Additional detail on the grants is set out in Table 5 below.

Table 3: Key Grant Receipts Projected

Grant Name	Amount in 2024/25 (£m)	Expected length of Grant
Pension Grant (2020 Firefighter Pension Actuarial Review)	16.1	Ongoing (Agreed annually)
Property PFI	3.7	Until 2039/40
New Dimensions	3.4	Ongoing (Agreed annually)
Merton Regional Control Centre	1.9	Until 2034/35
Other Grants	1.7	
Total	26.8	

- 6.10 As highlighted in the table, some grants will be agreed annually as part of the central government settlement process, and one is under review. The current MTFS assumption is that the total of £26.2 million will continue over the MTFS period but there is a risk that this may not be the case.
- 6.11 It should be noted that the Pension Grant for 2024/25 has increased by £16.1 million due to the pension re-valuation which has resulted in higher employer contributions into the scheme. This re-valuation considered the impact on the scheme's liabilities due to the outcome of the pension remedy. There is risk in relation to this however, as early calculations show that the annual additional cost may be closer to £18.0 million. The Home Office have however said they will be re-visiting grant allocations again in August 2024 based on updated information which should result in this disparity being closed.

7 Establishment

- 7.1 The 2023/24 budget process proposed an Average Vacancy Margin (AVM) of 154 operational posts below full establishment, with a planned AVM of zero in 2024/25.
- 7.2 Since the approval of the 2023/24 budget, work has continued on the feasibility and impact of this level of change in the AVM, in particular on areas such as recruitment and training, as well as on operational delivery. A working group reporting into the Establishment Board has been considering key aspects of the change in AVM and presenting options for consideration. The conclusion of this work is that the Establishment Board considers that an AVM of 100 is a practical assumption (rather than a goal) into the medium-term due to actual recruitment rates and staff turnover with the potential for one weeks' notice. This will not impact on overtime requirements.
- 7.3 Currently, operational workforce planning is carried out every month and discussed at Establishment Board. This will be further developed as a new organisational workforce planning strategy is put into place.
- 7.4 Within FRS staffing, due to assumed turnover of staff and recruitment exercises to replace there is still an assumed vacancy margin of £1.0 million in 2024/25.
- 7.5 The Strikes (Minimum Service Levels) Act 2023 received Royal Assent on 20 July 2023 and the regulations on minimum service levels for fire and rescue services were published on 12 February 2024. Officers are considering the implications of this in relation to the Brigade's existing business continuity arrangements.

8 Savings, efficiencies, and productivity

- 8.1 A total of £16.3 million in Budget reductions are proposed for 2024/25, including departmental saving proposals of £3.8 million, operational and FRS staff vacancy margin savings of £4.3 million and £1.0 million respectively, efficiency review and targeted savings review through Investment and Finance Board (IFB) of £2.7 million, and finally £4.5 million linked to a review of earmarked reserves.
- 8.2 The Assistant Director (AD) for Health & Safety oversaw an efficiency review as part of the budget process last year. Due to the effectiveness of this approach, a follow up Review was commissioned.
- 8.3 The Review noted the significant improvement that has been made in managing Pre-Arranged Overtime (PAO), which has been a key and growing pressure on the LFC budget over the past few years. A plan to reduce reliance on PAO was then agreed by the LFC in March 2023 and published at the below link:
<https://www.london-fire.gov.uk/media/7500/lfc-23-025-plan-to-reduce-reliance-on-prearranged-overtime-and-associated-spend-part-1.pdf>
- 8.4 That plan put forward proposals to improve effectiveness and utilisation of our resources, supporting operational resilience and financial sustainability. This included Priority Crewing Guidance, Training as a Watch, reducing the establishment gap, and formalised operational demand forecasting and financial controls. In 2022/23, we had an overspend on operational overtime of around £12.5 million (excluding National Insurance), the largest component of which was due to PAO. The Quarter 3 forecast for this financial year (2023/24) is an overspend of around £6.4 million, a reduction of £6.1 million. Further actions to reduce the residual overspend will include reviewing sickness absence and light duties, addressing skills and training gaps, and filling vacancies.
- 8.5 The follow up Efficiency Review noted its previous recommendations around reform of the

Operational Support Units (OSUs) is now being reconsidered in a wider context considering the new Response Strategy, which is taking into account changing risks in London such as wildfires, as well as a wider review of specialist units (including Fire Rescue Units). So, whilst the savings have not been currently delivered, we do expect a more effective and efficient model to be developed going forward. Other areas recommended for review include reducing mileage/journeys and the Review of Firefighters Compensation (injury awards) made under the firefighters Pension Scheme.

- 8.6 We have strengthened our processes around business cases and portfolio management which is improving our resource allocations and delivery of value for money. The Investment and Finance Board is playing an important role in scrutinising new expenditure proposals and reviewing existing expenditure through a rolling programme of 'deep dive' reviews. We are also focusing on cost avoidance measures as well as cashable savings, e.g. Property/Technical Support Services have taken steps to limit cost increases in areas facing substantial inflationary pressures, notably energy (by reducing usage, generating renewable energy, and fixing contract prices to end of this financial year). Looking ahead, there is an opportunity to join a Power Purchasing Agreement through the GLA group as and when this is ready.
- 8.7 LFB have to submit an annual return to the National Fire Chiefs Council (NFCC) on its efficiency and productivity plan, with key targets of 2.0 per cent of non-pay efficiencies and increase productivity by 3.0 per cent by 2024/25. Across 2022/23 – 2024/25 the LFB submission included an average of 6.9 per cent of non-pay efficiencies which is well above the target set.
- 8.8 On productivity of staff we are continually looking to improve. For example, firefighters now carry out targeted and specific visits to triage lower risk premises to enable Inspecting Officers to focus on higher risk premises and increases our reach into the business community. Our proposed change to the way we respond to Automatic fire alarms (AFAs) would allow us to spend more time on protection work, such as fire safety checks in homes and businesses, as well as operational training. It will also reduce the risk to the public through fewer 'blue light' emergency responses. More broadly, the new set of KPIs linked to the CRMP that we have published will enable us to better understand and improve our productivity across a range of disciplines.
- 8.9 The Home Office wrote to all Chief Fire Officers and Fire Finance Directors on the 12 February 2024, setting out the latest targets on both productivity and efficiencies. This was set at increases of 3.0 per cent on wholtime firefighter productivity and 2.0 per cent on non-pay efficiency savings. More information can be found in appendix 7.

9 People and Culture

- 9.1 LFC has an ambitious agenda around people and culture which is vital to achieving the transformation it has committed to following the Grenfell Inquiry, Independent Culture Review and HMICFRS inspections. The plans that have been developed also incorporate the commitments made within the Community Risk Management Plan (CRMP). The HR function is integral to the delivery of these commitments and recommendations.
- 9.2 LFB have established a programme team and structure to ensure the sustainable improvement needed for the culture transformation is achieved. This team sits within the Transformation directorate. The Deputy Commissioner (Director for Preparedness and Response) is the Senior Responsible Officer (SRO) and chairs the programme board. A programme director is supported by a team of skilled and experienced staff in programme, project, and business change management.
- 9.3 Following recommendations from both the Independent Culture Review, and the Independent Review of People Services, a number of changes are taking place within the People Services directorate. A phased approach is being taken, with phase 1 covering our People operations and Phase 2 looking across the remaining functions of the directorate. The changes are aimed

to improve our transactional processes and strengthen the Business Partnering model. These changes are taking place over a number of phases, with Phase 1 covering our People Operations, and Phase 2 looking wider across the Directorate. Within these changes we are bringing focus to our transactional processes and strengthening the Business Partnering Model.

- 9.4 Immediately following the Independent Culture Review the Brigade appointed an external provider to investigate all complaints and conduct an historical case review regarding bullying, harassment, and discrimination cases from the previous five years. The Brigade made the decision to form a Professional Standards Unit (PSU) which went live in January 2024. We are the first Fire and Rescue Service to introduce such a team, we have worked closely with other organisations who have PSUs to see how they work and incorporate the learning. The role of the PSU is to upskill staff and promote high standards of behaviour of all staff, building on the new LFB values. The PSU manages all investigations and refers cases for external investigation if required. An independent phone line for staff to raise complaints has been maintained.
- 9.5 People Services has been through considerable change over the last calendar year with a number of senior leaders leaving LFB. This has resulted in the appointment of an interim senior team to provide the strategic leadership and direction required to transform the service whilst maintaining business as usual HR functions. These interim roles will be replaced over the course of 2024 with permanent leaders.
- 9.6 Despite the changes within People Services, we have continued to invest in delivering critical activities to support our culture change programme and the modernisation of our core HR services. These include:
- Developed a new People Services Strategy.
 - Launched a Transformation Programme across People Services to modernise and develop a best in field People Services.
 - Continued the delivery of our leadership development programmes at all levels within the organisation.
 - Improvements to the support provided to neurodiverse staff.
 - Ongoing work by the Business Partner team supporting the business in identifying trends and implementing early interventions where possible.
 - Creation of a People Dashboard, for all business areas showing trend data to enable both business partners and heads of service to have access to key data to help drive improvements.
 - A review of our HR Policies and processes to make them simpler, easier to follow, and more accessible to staff.
 - Revised our Discipline, Bullying and Harassment, and Grievance policies and procedures.
 - We are currently undertaking an external review of our staff Benefits package.
- 9.7 In the coming months we will be embedding the new design for People Operations and develop the new organisation design for the rest of the People Services directorate, alongside continuing the transformational activity on our core processes. These processes are being aligned to support the implementation of a new HR System.
- 9.8 The Transformational activity will support efficiencies as detailed below. These will be ongoing and embedded as the operating model matures.
- Drive productivity improvements in People Services following the implementation of the new operating model and HR system.
 - Cost avoidance through reduction in management time spent on managing grievance and bullying and harassment cases.
 - Cost avoidance through reductions in employment tribunal costs.

- Cost avoidance and improvements in key performance indicators through reduction in sickness absence and more effective workforce planning.
- Potential reduction in the cost of overtime through more effective workforce planning.

9.9 As part of the transformation of People Services we will be continuing to identify efficiency savings across the directorate through modernising processes and streamlining where possible. Additionally, we will be using data and insights to identify issues across LFB and develop interventions which will improve productivity, reduce sickness, and give better support to our people.

9.10 Considerable investment has already been made by LFB into activities to deliver the improvements required as part of the Culture Transformation programme. These include:

- The outsourcing of complaint investigation and an historical case review which was delivered by CMP £1.4m (to the end of 2023/24)
- Enhanced maternity provisions £1.5m (2023/24) and an annual on-going investment of £1.5m per annum.
- Programme Team £0.7m (to the end of 2023/24)
- Privacy for All has been a major capital project to deliver gender neutral facilities across the estate, which has included £1.4 million of forecasted investment by the end of 2023/24.

9.11 The 2024/25 budget includes an additional £4.8 million allocated to activities associated with the Culture Transformation Programme. This includes proposed spending on key areas to Leadership Learning and Development, uniform and clothing, enhanced DBS checks and vetting alongside wellbeing, equality, diversity, and inclusion initiatives. The breakdown of this is available in Appendix 4.

9.12 In March 2024 HMICFRS took the decision to remove LFB from enhanced monitoring ('Engage'). This decision follows an inspection carried out by HMICFRS between 19 -22 February 2024 in relation to the Cause for Concern regarding Culture. The Cause of Concern had three recommendations. The first two related to ensuring that Brigade values were communicated to all our staff and were well understood, particularly by leaders. The Inspectorate found considerable evidence to show that we have achieved these two recommendations. They drew this finding from the feedback given by staff at every level – examples of our values in action and what they meant to us.

9.13 The third recommendation was about improving our approach and processes for complaints, discipline and grievance, where the Inspectorate found good progress had been made. Although LFB is being lifted out of 'Engage', HMICFRS left this third part of the Cause for Concern in place. The inspection team recognised that the new Professional Standards Unit (PSU) only became operational in January and needed more time to build staff trust and confidence. The inspectors were pleased to see the PSU is underpinned by new and simple policies on discipline and grievance, building on the external reporting line introduced in 2022. While the volume of complaints already received by the PSU shows growing confidence in its function, progress needs to be sustained and demonstrated. We are already accumulating evidence to show we have a more consistent, faster and robust approach to discipline and grievance. Most importantly, the PSU is building confidence on the ground and within London's communities.

9.14 We welcome HMICFRS's decision to move LFB out of enhanced monitoring and are pleased that HMICFRS has recognised the significant work that has taken place over the last few years. Though the progress is encouraging, the work to ensure that the Brigade has a safe and

dignified workplace culture will continue at pace and with the leadership commitment and drive needed.

10 Government Spending Review

10.1 The final Local Government Finance Settlement for 2024/25 was published on the 5 February 2024. The settlement allocated a total allocation of £64.7 billion which included £2.1 billion Revenue Support Grant (RSG). As part of the 2024/25 settlement the fire and pensions grant has been rolled in to RSG, totalling £115.0 million. Overall, this was a guaranteed increase of 3.0 per cent in cash terms.

11 Firefighter Pension Valuations

11.1 The actuarial valuation of the firefighter pension scheme has been undertaken and will be implemented from April 2024. The revised employer contribution to the scheme is now 37.6 per cent, an increase from the previous contribution level of 28.8 per cent. This reflects the full impact of the pensions remedy on the LFC as well as changes to actuarial assumptions which have increased the cost of the scheme. The Home Office has committed to one-off funding for this additional cost in 2024/25 and will be subject to further review.

12 Risks and Opportunities

12.1 The Medium-Term financial strategy (appendix 2) sets out the financial risks to the budget figures in this report, including those relating to inflation, pay, and pensions.

13 Financial Position

13.1 The forecast outturn position as at the end of December 2023 (Q3) (LFC-24-015) shows an overspend of £4.9m for the 2023/24 financial year.

14 Reserves

14.1 The table below sets out the forecasted position on the financial reserves as at 31/03/24, resulting from the financial position reported above. The balance on the general reserve, following the forecasted outturn overspend position is £17.0m, and this is at the minimum general position of 3.5 per cent of the net revenue expenditure.

Table 4: Movements in reserves

Reserve	Forecasted Balance at 31/03/2024 (£m)	2024/25 Forecasted Use of Reserves (£m)	Forecasted Balance at 31/03/2025 (£m)	2025/26 Forecasted Use of Reserves (£m)	Forecasted Balance at 31/03/2026 (£m)
Fire Safety and Youth Engagement	6.8	(2.2)	4.6	(1.5)	3.1
Emergency Services Mobile Communication Programme	1.0	0.0	1.0	0.0	1.0
Fire Safety Improvement	29.7	(9.7)	20.0	(10.3)	9.7
Communications	0.1	(0.1)	0.0	0.0	0.0
LFB Museum Project	0.1	(0.1)	0.0	0.0	0.0
Finance Reserve	0.0	0.0	0.0	0.0	0.0
Pension Earmarked Reserve	0.6	(0.1)	0.5	0.0	0.5
Compensation	0.9	(0.7)	0.2	0.0	0.2
ICT Development Reserve	1.7	(1.2)	0.5	(0.1)	0.4
Sustainability	0.2	0.0	0.2	0.0	0.2
Vehicle & Equipment Reserve	1.0	(1.0)	0.0	0.0	0.0
Leadership Reserve	0.3	(0.1)	0.2	0.0	0.2
FRS Review	0.1	(0.1)	0.0	0.0	0.0
MTA Reserve	1.0	0.0	1.0	0.0	1.0
Recruitment Reserve	1.3	(0.7)	0.6	(0.6)	0.0
Community Risk Management Plan	3.5	(2.7)	0.8	(0.3)	0.5
Budget Flexibility	14.2	(5.4)	8.8	(4.9)	3.9
General Fund	17.0	0.2	17.2	0.6	17.8
Total Reserves	79.5	(23.9)	55.6	(17.1)	38.5

- 14.2 LFC's reserves strategy is in line with good financial practice in ensuring that reserves are adequate but not excessive (building up and holding on to an unnecessarily large amount of reserves is not a good use of taxpayer funds). LFC has established earmarked reserves for specific and time-limited purposes and using these to support expenditure in line with plans, or releasing these funds if they are no longer required, is part of maintaining financial stability. The Brigade maintains a General Reserve of 3.5 per cent each year to ensure resilience against unforeseen financial risks and this is kept under review.
- 14.3 Additional information on the purpose of these reserves can be found in the LFC Reserves Strategy Appendix in the November Budget Submission to the Mayor.
- 14.4 The LFC will continue to regularly review all reserve balances and where possible release funds back into the general reserve.
- 14.5 It is currently envisaged that earmarked reserves will remain at the same level in 2026/27 as 2025/26.

15 Fees and Charges

15.1 The LFC receives income from a range of charges which are calculated on a cost recovery basis. Any changes to these are calculated by the Director of Corporate Services and advised to charging departments in line with delegations to officers in order to be applied from the start of the new financial year. This process includes updating the rate used for special service charges, which also covers charging for Shut in Lifts and Automatic Fire Alarm Call Outs.

16 Capital Programme and Prudential Indicators

16.1 The Financial Position as at the end of November 2023 has been used as a base starting point, however this has then been amended to reflect any known changes since the reporting date. This revised position has been used for 2023/24.

16.2 The overall capital programme is summarised in the table below:

Table 5: Capital Programme Summary

Project	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL
	£m	£m	£m	£m	£m	£m
Capital Schemes						
Properties	16.1	25.5	39.2	28.0	23.2	132.0
Fleet Replacement Plan	2.7	2.0	7.3	4.0	2.5	18.5
ICT Projects	5.4	3.8	3.3	5.1	14.0	31.6
Communications Project	0.0	0.1	0.3	0.3	0.0	0.7
Operational Policy Equipment	5.7	1.1	0.0	0.0	0.0	6.8
Assumed 10% Optimism Bias		(3.2)	(5.0)	(3.7)	(4.0)	(15.9)
Total Expenditure	29.9	29.3	45.1	33.7	35.7	173.7
Capital Financing						
Reserve	0.3	0.5	0.0	0.0	0.0	0.8
Capital Receipts	0.3	0.0	11.3	0.0	0.0	11.6
Capital Grants	1.4	0.0	0.0	0.0	0.0	1.4
Borrowing	27.9*	28.8	33.8	33.7	35.7	159.9
TOTAL Funded Financing	29.9	29.3	45.1	33.7	35.7	173.7

* £27.9 million for 2023/24 is internal borrowing, the following years then become external borrowing.

16.3 The Capital Strategy for 2024/25 is included within Appendix 6 which also includes the financing of the capital programme for the next four years together with the approved prudential borrowing limits. The first five years of the Capital Strategy, to 2027/28, are included in the Mayor's Capital Spending Plan, and are funded by the capital financing costs reflected in the LFC revenue budget submission. The costs of borrowing are within both affordability and borrowing limits.

16.4 The Capital Receipt in 2025/26 is net of a repayment to the GLA that will become due on the sale of 8 Albert Embankment.

16.5 The use of external borrowing will become greater in the coming year as LFB continue to

transition back to needing to fully fund the capital plan rather than have a reliance on capital receipts from the sale of assets no longer used. This is in line with many other public sector organisations.

- 16.6 The capital programme includes the costs of the purchase of several IT solutions (including the mobilising project from 2027/28) and the market for these products continues to develop. For some IT products it is not until the tender stage that it becomes clear whether a cloud-based solution (or part cloud-based solution) will be recommended, which may then see less capital demand with costs instead being met from the revenue budget. The capital programme will continue to develop to reflect the emerging position.

Capital Strategy

- 16.7 The CIPFA Prudential Code 2017 sets out a new requirement for local authorities to produce a Capital Strategy, to form part of an authority's integrated revenue, capital, and balance sheet planning. The Mayor's Budget Guidance requires that the Capital Strategy covers a 20-year period, and forms part of the LFC's Budget Submission. The 2024/25 Capital Strategy is detailed in Appendix 6.

- 16.8 The table below sets out the summary capital ambition from 2028/29 to 2042/43 in five year intervals:

Project	Years	Years	Years	Years
	2028-2033	2033-2038	2038-2043	2028-43
	£m	£m	£m	£m
Capital Schemes				
Properties	74.0	78.6	91.1	243.7
Fleet Replacement Plan	56.7	28.7	43.0	128.4
ICT Projects	22.1	47.3	27.6	97.0
Total Capital Expenditure	152.8	154.6	161.7	469.1
Capital Financing				
Capital Receipts	0.0	0.0	0.0	0.0
Capital Grants	0.0	0.0	0.0	0.0
External Borrowing	152.8	154.6	161.7	469.1
TOTAL Funded Financing	152.8	154.6	161.7	469.1

17 Risks to the Capital Programme

- 17.1 Capital expenditure is prone to significant risk and uncertainty. For example, cost variations, slippage or acceleration of major projects and changing specifications are often a feature of large and complex capital programmes. Capital investment also carries risk in relation to the availability of capital finance from capital receipts and grants etc.
- 17.2 The impact of inflation on our capital programme is being managed through careful planning of individual scheme budgets including sufficient contingency levels to manage risk, but we are starting to see an increase in borrowing levels to maintain our capital ambitions whilst available funding from revenue reserves is depleted. This requires careful attention and planning going forward and the capital programme is carefully managed to ensure schemes are delivered within the limited financial resources available.
- 17.3 The Capital Programme also includes significant investment towards achieving Carbon Net Zero by 2030. However, this work is currently not fully funded and would therefore require

additional external borrowing and therefore debt charges, which would impact on the ability of LFC to achieve a balanced budget without making savings.

- 17.4 Additionally, the capital programme includes significant investment for the new LFB Headquarters, between 2024 and 2027, when the current Union Street Headquarters lease expires. There may be potential additional costs associated with this.
- 17.5 Risks related to capital expenditure are discussed in more detail in Appendix 6 Capital Strategy.

18 Financial Management Code of Practice

- 18.1 The CIPFA Financial Management Code has been "designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability". Authorities are required to demonstrate that they are complying with the Code.
- 18.2 The LFC has implemented a range of actions to improve financial management within the LFC in 2022/23, these include an efficiencies review as part of the budget process of strategic level proposals for saving and efficiencies.
- 18.3 The LFC as part of the 2024/25 budget process has also looked to strengthen the links between the Community Risk Management Plan (CRMP) and the budgetary process. This has been achieved by ensuring each Senior Responsible Officer (SRO) of each of the CRMP Programmes has set out business cases in terms of project delivery and the required financial resources to achieve this. In future budget iterations, this will be strengthened further by extending the timeframe this is achieved over.

19 Other Considerations

Equality comments

- 19.1 The LFC and the Deputy Mayor for Fire and Resilience are required to have due regard to the Public Sector Equality Duty (section 149 of the Equality Act 2010) when taking decisions. This in broad terms involves understanding the potential impact of policy and decisions on different people, taking this into account and then evidencing how decisions were reached.
- 19.2 It is important to note that consideration of the Public Sector Equality Duty is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken.
- 19.3 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), race (ethnic or national origins, colour, or nationality), religion or belief (including lack of belief), sex, and sexual orientation.
- 19.4 The Public Sector Equality Duty requires decision-takers in the exercise of all their functions, to have due regard to the need to:
- eliminate discrimination, harassment and victimisation and other prohibited conduct.
 - advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it.

- foster good relations between people who share a relevant protected characteristic and persons who do not share it.

19.5 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard to the need to:

- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic.
- take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
- encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

19.6 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include steps to take account of disabled persons' disabilities.

19.7 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- tackle prejudice.
- promote understanding.

19.8 The requirement for each proposal which has a potential impact to undergo an Equality Impact Assessment was communicated to all Heads of Department as part of the budget guidance. This included specific instruction setting out the LFB's obligations under the Equality Act and Public Sector Equality Duty, with guidance to support them to complete Equality Impact Assessments (EIAs) on relevant proposals.

19.9 In addition, an EIA has been undertaken on the proposals which have a direct impact on staff who are in positions which are at risk of deletion. Although this staff group is small (fewer than 10), there is an adverse impact on race and gender, given the demographic makeup of the staff group affected. This impact, including mitigations agreed to minimise the impact, is outlined in the Equality Impact Assessment (agreed staffing proposals) which is attached as Appendix 9 to this report.

19.10 This is particularly relevant given the 2020 Mayor's budget guidance which explicitly stated, at 5.3 and 5.4:

(5.3) It will be a key objective for London's recovery to address the social and economic inequalities that have driven differences in the impact of Covid-19 across London's communities, as well as the inequalities created as a result of the crisis itself. In reviewing and repurposing their budgets to support London's recovery all members of the GLA Group must consider what steps they can take to address these inequalities.

(5.4) All members of the GLA Group must also assess their wider budget proposals to consider both their potential impact on different groups of Londoners (including, but not limited to, those protected by equalities legislation), and are encouraged to consider how they can broaden their activities to further address poverty, economic inequality, and social integration in London.

19.11 The Inclusion Team has been consulted, and an Equality Impact Assessment has been included in this report at Appendix 5.

Workforce comments

- 19.12 LFB's recognised trade unions are being consulted on the savings and investment proposals for 2024/25, and any comments received will be responded to and reported to Commissioner's Board as appropriate. It is noted that there are very few occupied FRS posts which are being deleted, and the staff reductions are expected to be achieved voluntarily. It is also noted that there are several growth FRS posts. The deletion of operational posts will not require any staffing reductions as operational staff who are currently occupying such posts will be posted to alternative positions at similar rank.

Sustainability comments

Please see Appendix 11 for more information and detailed analysis of the sustainability impact of activity included in this report.

Procurement comments

- 19.13 The resource requirements to ensure that Procurement and Commercial can facilitate and meet the required commercial needs of the LFB at both CRMP Programme and Business as usual level are set-out and included in the investment sections of the report.

Financial comments

- 19.14 This report is by the Assistant Director, Finance and there are no additional comments.

Legal comments

- 19.15 Under section 9 of the Policing and Crime Act 2017, the London Fire Commissioner (the "Commissioner") is established as a corporation sole with the Mayor appointing the occupant of that office. Under section 327D of the Greater London Authority Act 1999, as amended by the Policing and Crime Act 2017, the Mayor may issue to the Commissioner specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.
- 19.16 Section 1 of the Fire and Rescue Services Act 2004 states that the Commissioner is the fire and rescue authority for Greater London. The Commissioner is also a 'best value' authority under the Local Government Act 1999 and must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.
- 19.17 The statutory provisions relating to the setting of the Commissioner's budget are contained in the Greater London Authority Act 1999. Schedule 6 of the Act sets out the process for the development and approval of the GLA's consolidated budget and the various component budgets of the functional bodies such as the Commissioner. Paragraph 2 of Schedule 6 requires the Mayor to prepare a draft component budget for the Commissioner and for each of the other constituent bodies which make up the GLA's consolidated budget. The Mayor must consult the Commissioner before preparing the component budget and the London Assembly before producing a consolidated budget. In preparing the draft he must have regard to representations which he has received as a result of the consultation process.
- 19.18 The Mayor annually updates his budget guidance in order to take account of his mayoral priorities and legislative changes. The Commissioner must have regard to this guidance in preparing the LFC's representations during the budget consultation process.
- 19.19 Additionally, the Fire and Rescue National Framework for England ("Framework") issued by the Secretary of State under section 21 of the Fire and Rescue Services Act 2004 requires

the Commissioner to produce a medium-term financial plan, efficiency plan, and a reserves strategy. The Framework permits these to be combined and included within the parent authorities' documentation as has been done in this report.

- 19.20 By direction dated 1 April 2018, the Mayor set out those matters, for which the Commissioner would require the prior approval of either the Mayor or the Deputy Mayor for Fire and Resilience (the "Deputy Mayor"). Paragraph (d) of Part 2 of this direction requires the prior approval of the Deputy Mayor before, "The London Fire Commissioner makes an annual budget submission to the Mayor prior to the Mayor's Consultation Budget being issued."
- 19.21 This report sets out the Commissioner's proposed Budget Submission to the Mayor (incorporating the requirements of the Framework) thereby meeting the Commissioner's responsibilities under the above legislation and Framework.
- 19.22 The Medium-Term Financial Strategy (MTFS), Efficiency Plan and Reserve Strategy are documents referenced as required in the Fire and Rescue Services National Framework. These documents form part of the Budget Submission. Under S327G of the Greater London Authority Act 1999 (GLA Act 1999) a document that is prepared and published by the LFC in accordance with Framework and which (a) sets out the Commissioner's priorities and objectives, for the period covered by the document, in connection with the discharge of the Commissioner's functions, or (b) contains a statement of the way in which the Commissioner has had regard, in the period covered by the document, to the Framework and to any document within paragraph (a) prepared by the Commissioner for that period must, before publication, be sent in draft to the Mayor and the Assembly (in these circumstances the Fire Resilience and Emergency Planning Committee (FREP)). The document cannot be published by the LFC without FREP having an opportunity to review the draft document(s) and report to the Mayor, and the Mayor needs to approve the document(s) before it may be published by the LFC.
- 19.23 It is commonly accepted that the MTFS, Efficiency Strategy, Reserve Strategy, and the Statement of Assurance (the subject of a separate report) are documents that fall within S327G and accordingly the above provisions apply.
- 19.24 The Mayoral Directions provide for additional processes namely that The prior approval of the Mayor is required before any of the following decisions is taken: b. Approval of the final proposed text of the draft London Safety Plan (or any revision of it) for the purposes of sending it to the Assembly under section 327G(2) of the GLA Act 1999. "London Safety Plan" refers to any document which is prepared and published by the Commissioner in accordance with the Fire and Rescue National Framework and which contains the matters described in section 327G (1)(a) and or (b) of the GLA Act 1999.
- 19.25 In addition, the Mayoral Directions provide that prior consultation with the Deputy Mayor is required on anything that requires the consent of the Mayor.

List of Appendices

Appendix	Title	Protective Marking
1.	Medium Term Financial Strategy	None
2.	Amendments to November 2023 Budget Submission	None
3.	Revised Savings	None
4.	Revised Investments	None
5.	Equality Analysis	None
6.	Capital Strategy	None
7.	Fire Productivity & Efficiency Submission	None

Appendix 1

Medium-Term Financial Strategy (MTFS)

1 Introduction

This report sets out the Medium-Term Financial Strategy (MTFS) for the London Fire Commissioner (LFC) covering the period 2024/25 to 2026/27.

The MTFS is a key part of the LFC's financial management framework and helps to ensure that resources are managed into the medium-term and supports better alignment of those resources to strategic priorities. It improves financial planning, strategic financial management, and provides the financial context within which budgets are set.

The MTFS must set out the financial plans for multiple years, have regard to affordability and consider the interdependencies of both revenue and capital income and expenditure. Under the CIPFA Prudential Code for Capital Finance, the LFC is also required to produce an annual Capital Strategy which sets out the investment plans, considering the affordability of those plans.

2 Economic contexts

Over recent years the UK economy has seen turbulent times due to several events such as the impact of the Covid-19 pandemic, the UK leaving the European Union, and this has then been further impacted by more recent conflicts both in Europe and the Middle East causing instability to whole regions and economic markets. This presents a challenging economic context for the current and future budget processes.

Inflation has risen considerably above the Government's two per cent target, at one point reaching a 40 year high of over 10%. Inflation is expected to continue to fall throughout 2024/25 and the Bank of England has recently said it expects the two per cent target will be met soon. The costs of living crisis have led to industrial relations tensions across many sectors and pay increases above previously planned levels, to meet these staff expectations, risk further inflationary pressure in the LFC's contractual expenditure. The uncertainty caused by the current economic context also impacts on the LFC's funding expectations. The majority of the LFC's funding comes from the Mayor, from resources available to him from government grants, the council tax and business rates. The Mayor's Budget Guidance 2024/25 considers these risks to funding and presents several scenarios on the impact on the resources that may be available. The Bank of England, like other Central Banks, has been raising interest rates to counter inflation and the fall in Sterling relative to the US dollar.

Higher interest rates impact on the LFC through the borrowing to support the capital programme. The LFC has been able to make use of capital receipts to fund the capital programme for several years, however these are now largely exhausted and so borrowing will now be required. At higher interest rates, this new borrowing will be at a rate higher than previously assumed and will add further pressure to the medium-term financial position as resources are set aside to repay the debt and meet the interest charges.

3 Background

On 14 July 2023 the Mayor issued his latest Budget Guidance setting out the GLA's estimates of the Group budgets for each functional body, covering the period to 31 March 2026 and has been issued to underpin the process of setting the 2024/25 annual budgets.

This Mayoral Budget Guidance includes estimates of business rates and council tax revenue and certain assumptions have been made in those estimates. The LFC is predominantly reliant on funding from the Mayor, and his decisions on distribution of business rates and council tax.

The Budget Guidance provides three scenarios of estimates of funding and requires functional bodies to use the "central scenario" in setting their budgets for 2024/25.

The Mayor takes decisions on the distribution of the GLA business rates and council tax income and it is therefore important that the LFC can demonstrate a strategic approach to its finances enabling the achievement of strategic objectives whilst at the same time delivering efficiencies.

4 London Fire Commissioner strategic priorities

Following development in 2022, on 1 January 2023, the London Fire Commissioner published a new strategy which sets out the strategic ambition for the Brigade for the next seven years. It is called *Your London Fire Brigade* and replaces the London Safety Plan 2017; it meets the requirements of Government's Fire and Rescue National Framework for England to produce a Community Risk Management Plan (CRMP).

The CRMP pulls together the Brigade's existing work as well as ideas for the future, so that there is one plan which sets out all the organisational priorities. The Plan incorporated outstanding actions to address findings from Phase One of the Grenfell Inquiry and the previous inspections by His Majesty's Inspectorate of Constabulary and Fire and Rescue Services.

It was developed prior to the publication of the Independent Culture Review, and results from the second full inspection by HMICFRS. This has meant that the strategy has had to be adapted in the light of those subsequent reports and may require further adjustment once the recommendations from the Second Phase of the Grenfell Inquiry are known. The overarching framework of the plan has not required amendment. It describes six services that the Brigade will provide to London, Londoners, and visitors to London in response to the London Fire Commissioner's Assessment of Risk 2022. Three of those services are long-established and encompass our work to help:

- Help prevent fires and other incidents from occurring.
- Ensure the built environment can protect people to enable them to escape should a fire or other incident occur.
- Respond to emergencies.

The Plan describes three newly defined services so that the Brigade can work more effectively with people so that they not only are safer, but they also feel safer. Those three new services are:

- Prepare – the Brigade will work with local communities so that they can be better prepared should an incident occur and take action to make themselves safer, prior to our arrival on scene.
- Recover – the Brigade will work with local communities providing advice and signposting people to ongoing support so that they can recover more quickly after an incident has occurred.
- Engage – the Brigade will work more closely with local communities and reach out to communities whose voices are seldom heard to understand their perceptions of safety and work in partnership with them to improve their safety.

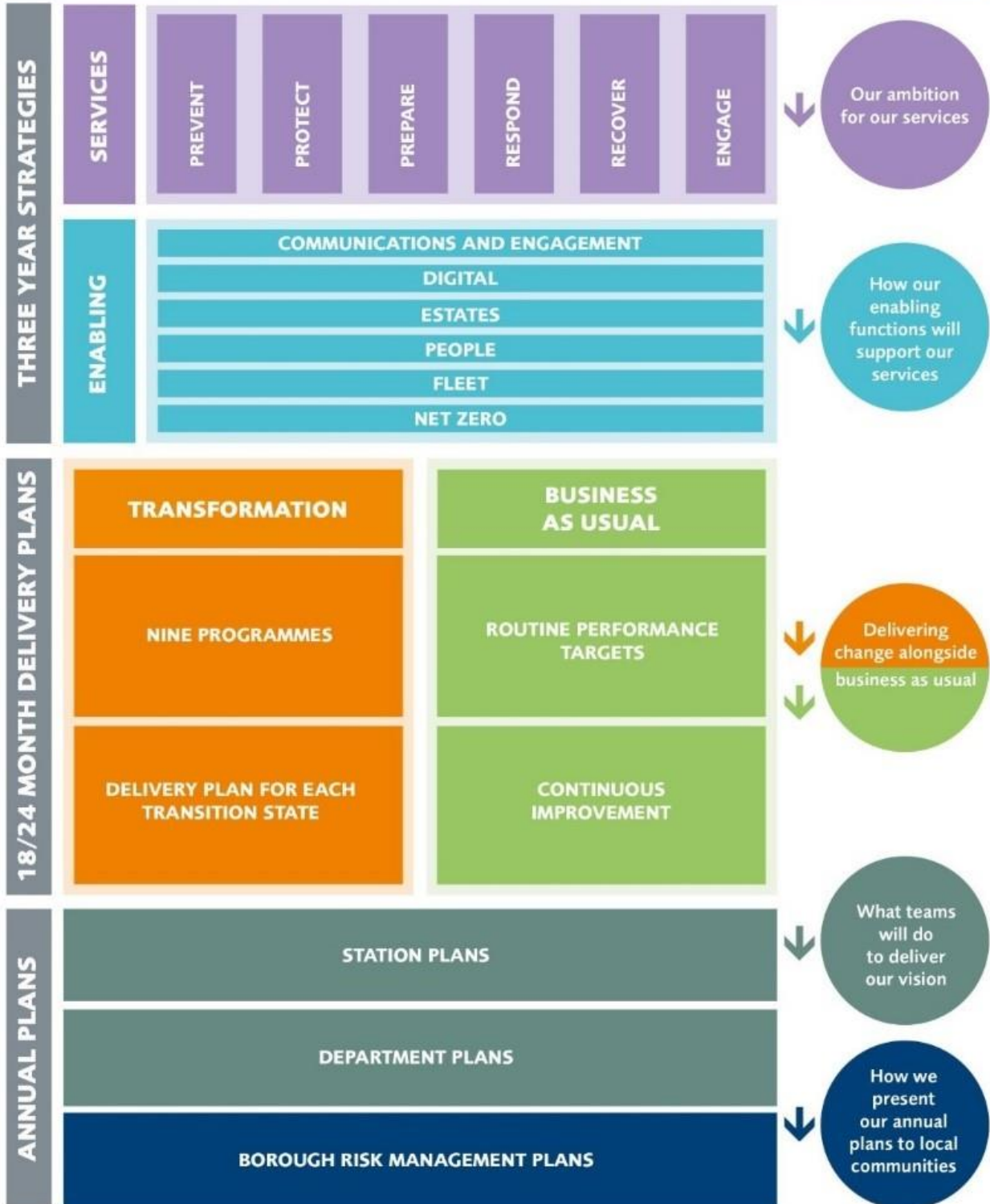
The Plan also sets out the LFC's ambition for transformation under eight commitments, which have been translated into programmes within the Brigade's transformation portfolio of change. These are:

- Localised Services Programme: we will work with you to provide localised services that meet your needs.
- Accessible Services Programme: we will make it easier to access our services.
- Modern Services Programme: we will adapt our services as your needs change.
- Community Partnership Programme: we will design services around your needs and concerns.
- Culture Transformation Programme: we will enable our people to be the best they can, to serve you better.

- Streamlined Services Programme: we will work together to provide the best possible services to meet your needs.
- Data-driven Performance Programme: we will be driven by evidence to give you the value you expect.
- Sustainable Services Programme: we will work with other organisations to secure a safer future for everyone.

The Plan is supported by service strategies and actions are being translated into local plans at the department, borough, and station level, as set out in the figure overleaf:

Our CRMP: Your London Fire Brigade, sets out our ambitions for the next seven years



This has facilitated a developing approach to delivering change and has informed the identification of programme-based budget requirements. Some of these are in addition to existing plans.

As with previous plans, the CRMP is not fully funded in advance; funding settlements for future years are uncertain and costs cannot be identified until detailed business cases have been developed. Additional resource requirements have been identified as part of these commitments and have been considered within programme investment bids as part of this budget process. These additional resources will include the financial impact of the work to achieve carbon net-zero by 2030. The GLA has also required that LFB clearly sets out the financial impact of achieving that in its budget submission.

Funding figures as set out by the Mayor represent increases in funding in each year, with an additional £26.0m provided in 2024/25, a further £22.0m in 2025/26 and a further £22.8m in 2026/27.

To achieve the requirement for a balanced budget in 2024/25 the LFC has carried out a budget setting exercise to identify the savings required as set out in its Budget Submission to the Mayor.

5 The Strategy

Given the wider economic context and the significant transformation journey which the LFC is on, the Medium-Term Financial Strategy is based on the following key principles:

- The number of fire stations, appliances and firefighters are not reduced.
- Delivery of the Community Risk Management Plan.
- Appropriate investment continues to be made in transformation activity.
- Resources are available to meet the recommendations arising from both the Grenfell Tower and Manchester Arena Inquiries and also the improvement plan from the HMICRFS inspection.
- Adequate investment in core infrastructure is maintained.
- Appropriate resources set aside to deliver key strategies and priorities.
- Opportunities for innovative and modern ways working will be adopted as far as possible.
- Earmarked reserves will be maintained for specific purposes which are consistent with achieving its key priorities. The use and level of earmarked reserves will be reviewed at least annually.
- The LFC will ensure that it operates within its approved budget.
- The General Fund balance will be maintained at a sustainable level.

6 Assumptions

The mayor has proposed that the GLA and its functional bodies should assume for planning purposes that their allocation of discretionary income from the GLA for 2024/25 and future years is based on a 'central scenario'. As part of that central scenario:

- Business rates funding is assumed to increase by CPI inflation (estimated at 2 per cent).
- Council tax Band D precept is assumed to increase by 2.99 per cent.
- The Council tax base is assumed to increase by 1.42 per cent a year.

The main assumptions in the MTFS are:

- Assumptions regarding staff pay and inflation in each year.
- Each post has pay progression until the top of the grade/operational competence is reached.
- Inflation is applied to other areas based on contractual requirements, linked to CPI, RPI and Average Weekly Earnings (AWE) as appropriate.

7 Medium-Term Financial Strategy 2024-2027

The Medium-Term Financial Strategy sets out the proposed revenue budget for the next financial year (2024/25) and financial forecasts for a further two financial years. The table below sets out a summary of the financial position in each of those years.

	2024/25	2025/26	2026/27
	£m	£m	£m
Operational Staff	340.3	346.7	351.9
Other Staff	79.7	81.3	82.9
Staff Related	32.8	33.0	37.2
Firefighter Pension Scheme	20.8	20.8	20.8
Premises	48.2	48.8	49.4
Transport	19.6	19.6	19.6
Supplies and Services	37.1	39.1	41.6
Third Party	1.3	1.3	1.3
Financing	16.0	19.8	23.2
Income	(50.0)	(50.5)	(51.0)
Savings still to be achieved	0.0	(1.9)	(16.2)
Net Revenue Expenditure Total	545.8	558.0	560.7
Funding			
Reserves (excl. BFR)	18.5	12.2	0.0
Budget Flexibility Reserve	5.4	4.9	0.0
Total – Reserves	23.9	17.1	0.0
Specific Grants	26.8	26.8	26.8
Budget – Mayoral Funding	495.1	514.1	533.9

8 Efficiency Plan

The Fire and Rescue Service National Framework for England provides for certain documents to be produced and this included an Efficiency Plan.

The LFC published its first efficiency plan under the London Fire and Emergency Planning Authority (LFEPA) in 2016 covering four years to 2020.

To meet the ongoing requirement, the proposals set out in the LFC Budget Submission to the Mayor should be considered as the Efficiency Plan for the LFC covering the financial year 2024/25.

The LFC has a Value for Money (VFM) Principles Framework in place that is used to underpin the strategic priorities and inform future efficiency plans and budget setting.

These VFM principles have been adopted by the LFC's Investment & Finance Board. The framework includes:

- An outcomes-based approach to service delivery models to be adopted in line with the CRMP (Community Risk Management Plan) and the Target Operating Model.
- A Priority budgeting approach will be adopted in budget setting processes to ensure resources are aligned with key priorities and strategic objectives.
- Organisational structures will be reviewed to ensure they are fit-for-purpose in meeting statutory obligations but lean and efficient.

- Business processes and related systems will be reviewed to ensure that they are aligned with modern best practice and seek to maximise the use of digital solutions.
- Maximisation of procurement benefits to drive out value-for-money in commercial contracts.
- Opportunities for collaboration with the GLA, the fire and rescue sector, and other public sector bodies will be proactively sought.
- Early and proactive engagement with the unions will be undertaken on any potential pay awards.

This is not an exhaustive list but gives an indication of the LFC's approach to delivering value for-money and efficiency savings. These VFM principles will be updated to reflect the further proposals to strengthen financial controls and efficiencies set out in this Budget submission.

Section 8 of the main budget submission sets out the outcomes of previous and ongoing efficiency reviews, strengthened processes for business cases, aligning investments to strategic priorities. LFB have to submit an annual return to the National Fire Chiefs Council (NFCC) on its efficiency and productivity plan, with key targets of 2 per cent of non-pay efficiencies and increase productivity by 3 per cent by 2024/25. Across 2022/23 – 2024/25 the LFB submission included an average of 6.9 per cent of non-pay efficiencies which is well above the target set.

On productivity of staff, this is not an easy issue to measure accurately or consistently across services. Nevertheless, we are continually looking to improve productivity. For example, firefighters now carry out targeted and specific visits to triage lower risk premises to enable Inspecting Officers to focus on higher risk premises and increases our reach into the business community. Our proposed change to the way we respond to Automatic fire alarms (AFAs) would allow us to spend more time on protection work, such as fire safety checks in homes and businesses, as well as operational training. It will also reduce the risk to the public through fewer 'blue light' emergency responses. More broadly, the new set of KPIs linked to the CRMP that we have published will enable us to better understand and improve our productivity across a range of disciplines.

9 Reserves

As part of our statutory obligations, the LFC Chief Finance Officer (currently Director of Corporate Services) must consider the level of reserves needed to meet estimated future expenditure when calculating the budget requirement.

As part of the budget setting process, the CFO must provide a statement on the adequacy of reserves as part of the Annual Statement of Accounts which is subject to an external audit review to assess value for money and a going concern opinion. The LFC's policy on reserves is contained within the MTFS principles highlighted above and are as follows:

- Due to the large number of risks regarding cost inflation the requirement to maintain its general reserve at a minimum of 3.5 per cent of net revenue has been reviewed by the CFO. (Director of Corporate Services). It has been deemed appropriate to keep it at this rate, given the pressures already included within the MTFS planning assumptions and the reserves positions held within Budget Flexibility Reserves.
- The LFC will aim to balance its revenue budget over the period of the MTFS without reliance on the use of the general reserve.
- The LFC will maintain earmarked reserves for specific purposes which are consistent with achieving its key priorities.
- A specific Budget Flexibility Reserve will be earmarked and maintained to smooth the delivery of efficiencies.
- The use and level of earmarked reserves will be reviewed annually by the CFO who will give an opinion on their adequacy.

10 Financial Risks

Firefighter and Local Government Pension Schemes

The pensions schemes provided by the LFC present significant financial challenges.

The pensions remedy that impacts all public sector pensions has a particularly significant impact of the Firefighter Pension Scheme, with the remedy to address the unlawful transitional protection impacting significant numbers of LFC staff. Managing the remedy and its implementation is expected to have significant financial impact for the LFC, with the impact on future employer pension contribution rates expected to be much clearer following the next scheme valuation.

Pay and Inflation

The MTFS includes an assumption of a 3 per cent pay award for 2024/25 for all staff. The pay award assumption in all subsequent years remains at the standard 2 per cent level. This assumption will be reviewed as part of the 2024/25 pay negotiation process and taking into account inflation, affordability, and other factors. In addition to this, role-based allowances will add an additional pressure of approximately £2.5m per annum in pay-related costs on an ongoing basis.

Property and equipment costs

There is also a risk with the costs of property rents, particularly in central London, that could impact on future lease agreements/reviews. On the income budget, it has also become more challenging finding tenants and therefore a potential risk for the brigade.

Capital Expenditure and Financing

The capital budget can be subject to change during the year and any re-phasing or deferral due can also impact on funding requirements which in turn may have a debt charge (cost of borrowing) revenue impact.

The capital programme is currently proposed to be funded by a mixture of capital receipts and borrowing and the associated debt costs have been calculated using the current forecast Public Works Loans Board (PWLB) rates. Actual borrowing rates and resulting costs may be different.

A risk exists in relation to meeting the emission reduction targets for 2030 (Ultra Low Emission Fleet (ULEF) programme) for the replacement vehicles and associated equipment in that the technology and infrastructure, if available at all, may be more costly than existing vehicle technology, leading to additional capital financing costs. Existing vehicles may need to be replaced earlier than their expected replacement date, bringing forward capital expenditure.

More widely, the programme to achieve Carbon Net Zero by 2030 carries significant investment which is currently not fully funded and would therefore require additional external borrowing and therefore debt charges which would again impact on the ability of LFC to achieve a balanced budget without making savings.

In order to progress investment in Carbon Net Zero initiatives the Brigade has recently been successful (subject to formal approval from the Credit Committee) in its application for subsidised loan funding from the Green Finance Fund. Whilst this is still a loan, it carries slightly lower rates than other borrowing opportunities that have been scoped. In total recent allocations from this fund include £22.4 million to enable a better electrical infrastructure which will fast-track other green-agenda items in the capital plan. Details of the projects that will benefit from the funding are set out in LFC-23-072y.

Funding from the Mayor and Central Government

This report includes the Mayor's indicative funding allocations for LFC for planning purposes covering the next three financial years. However, there is significant uncertainty about the level of funding for future years due to a number of risks on the funding available to the Mayor, through

retained business rates and the council tax, as well Government decisions on funding, including the spending/fair funding reviews. The MTFs has been formulated using the central scenario totals set out in the Mayor's Budget Guidance 2024/25 but there is a risk that actual funding could be lower.

Key operational systems

The Home Office will replace the existing Airwave contracts as part of the delivery of the Emergency Services Network (ESN). Existing contracts are subsidised, however the amount received per annum is reducing to such an extent that by 2026/27 there shall be no grant funding.

There could be significant financial pressures to LFC under any new contract provision for ESN as the Home Office may be unwilling to continue to subsidise a future system. LFC budget plans include a saving for disbanding the ESN project team, although the Emergency Services Mobile Communications Programme (ESMCP) have not yet issued a revised project timeline to deliver ESN. Once a credible date is available from the Home Office for the LFCs transition, the budget plans will be updated accordingly. The LFC currently holds an earmarked reserve against any anticipated costs of this work.

Other risks

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 LFC. 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.

Price increases are being considered by Thames Water which could affect the Water Team budget in Procurement. It is still subject to further discussions with the supplier and the cost impact is currently being refined.

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, as well potential change to legislation impacting on the ability to raise income.

The saving proposals include material savings for income generated through the (Metropolitan Fire Brigade) MFB Act. This budget has recovered increased budgets approved in recent years; however uncertainty remains on the extent to which increase in this income may continue.

Legal costs

Whilst the LFC has insurance to cover legal costs in relation to legal claims, there is always the risk that there are legal costs which are not covered by the existing policies and/or insured amounts.

11 Conclusion

The review of the MTFs has been undertaken against a backdrop of significant funding uncertainty and during a period of national and global economic instability.

The LFC has been through a period of significant external scrutiny which has resulted in a significant transformation journey. It is important, therefore, that the Medium-Term Financial Strategy can support not only business-as-usual activity but also investment in its transformation activity.

The MTFs and plans as presented demonstrate that the LFC is financial sustainable although will need to continue to focus on efficiency in its service delivery.

Appendix 2

Amendments to November 2023 Budget Submission (Gross Pressures)

Directorate / CRMP Programme	Department	Investment Title	Investment Description	2024/25 Investment £'000	2025/26 Investment £'000	2026/27 Investment £'000
Corporate Services	Property & TSS	Utilities	To reflect current pressures as seen in 2023/24 financial monitoring. There also incorporates a fall in future years in the region of 10-15% in current costs, but unknown until May 2024 and is at risk.	1,000	1,000	1,000
Corporate Services	Property & TSS	Business Rates Review	Following external review of business rates including BID Levies and Council Tax an increased liability. This is net of an instruction to an external partner in reviewing, challenging and appealing exercise for the 2023 rating window.	1,200	1,700	1,700
Corporate Services	Property & TSS	PFI Contract	Based on pressure identified in current year financial monitoring.	225	225	225
Corporate Services	Finance	Finance System Replacement	Subject to further review based on licensing costs of new system. This is based on the latest report to IFB.	127	127	127
Medium Term Assumptions - Total				2,552	3,052	3,052
Corporate Services	Property & TSS	Carbon Net Zero	Additional Investment required to uplift one role to deliver a sufficient CNZ delivery team.	16	16	16
Corporate Services	Property & TSS	Misting Lances Maintenance	Additional annual maintenance costs in department due to misting lances project.	11	11	11
Corporate Services	Information and Communication Technology	Finance System Replacement	Increase to reflect outcome of procurement exercise.	113	113	113
Operational Prevention,	Operational Policy	Contaminants	This project will identify the operational equipment to deal with the risks associated with fireground contamination and will identify measures required for the	100	0	0

Protection & Policy			protection of operational staff from carcinogens.			
Business As Usual – Total				240	140	140
Corporate	Information and Communication Technology	Reasonable Adjustments for Staff	Investment in accessibility and reasonable adjustments (meeting our legal obligation and treating staff equally in line with our Independent Culture Review commitments) – active life cycle management for devices, software, and user support.	(243)	0	0
Corporate	Information and Communication Technology	Cyber Defense	Security Information Event Management (SIEM) solution - gives security analysts full visibility of logs ingested from many sources/systems through a single dashboard, greatly improving capability to detect and manage actual or suspected security incidents.	(96)	0	0
Corporate	Information and Communication Technology	Supporting Users to use Systems	Increased Systems Support - an FRS E post to do user guides, admin guides, video how-to's, etc. for all systems. Maybe even station/area visits from time to time.	(15)	0	0
Re-phasing - Total				(354)	0	0
Culture Transformation Programme		Learning support and resilience, coaching and mentoring & leadership development	Creating established posts within the Leadership Academy, removing the need for detachments from station. In addition 2 x FRS posts: an FRS D providing additional support within Learning Support to carry out the Triage Service and run the digital diagnostics, aims to improve efficiency and reduce the number of referrals for full diagnostic assessments and associated costs; an FRS C to provide additional capacity to deliver core work and support the administration of the growing Coaching & Mentoring Programme.	600	600	600
Culture Transformation Programme		EDI & Neurodiversity	Equality Support Groups funding	100	100	100

Culture Transformation Programme			Learning and Development re-design to include consultancy, service provision and development activity re; 360 feedback. The re-design includes leadership and wellbeing	(350)	(350)	(350)
Culture Transformation Programme			Investment in critical training, coaching, mentoring and leadership. Development of EDI provision and in support of a revised EDI strategy.	750	750	750
Culture Transformation Programme		Staffing	Requirement for funding of roles not currently identified as utilising reserves to fund and in future years building investment into base budget assumptions.	385	738	849
Culture Transformation Programme		Vetting	Additional resourcing requirements due to no posts in establishment to transfer and cover vetting responsibilities.	128	128	128
Culture Transformation Programme		Professional Standards Unit (PSU)	Investment to create posts in PSU establishment. Currently supported through detachments. Potential to continue with detachments, but with requirement to understand impact on both operational availability and overtime/AVM impacts.	295	295	295
Streamlined Services Programme	Procurement	Establishment	Changes to the Procurement establishment structure in addition to those proposed in the November 2023 budget submission to deliver key priorities across both CRMP Programmes and also adding further value and avoidance of cost throughout BAU projects.	233	177	177
Change Capability Programme	Transformation – Portfolio	Business Change Manager	To fully fund an additional head for 24/25 to backfill the permanent BCM, who is mobilising Programme 9 and therefore fully utilised on that and so unable to support the wider change need for other Transformation programmes.	50	0	0
CRMP - Total				2,191	2,438	2,549

Appendix 3 (A)**Revised Savings (Budget Savings 2024/25 as part of last year's budget process to be delivered)**

Directorate	Department	Savings Title	Savings Description	2024/25 Saving £'000	2025/26 Saving £'000
Corporate	Property & TSS	EMS	Equipment Management Systems		(69)
Corporate	Finance	Efficiencies	There are two projects underway to replace the LFCs HR and Payroll System and the Finance System. It is anticipated that the implementation of the new systems is likely to deliver efficiencies which will be identified in a review of the staffing resources and work processes.	(40)	(80)
Corporate	Finance	MFB Income	Increase in MFB Act Income due to inflationary pressures.	(531)	(1,062)
Corporate	Information & Communication Technology	Incident Command Operating System	Incident command operating system annual support contract costs. This saving follows a successful tendering exercise, which resulted in increased costs at the start of the contract then ingoing savings in subsequent years	(10)	(10)
Corporate	Procurement & Commercial	Main Contractors	Write to our main contractors and ask for savings proposals. In lieu of current proposals. This could result in a change to the operating model of performance regime. We would ask the contractors to provide ideas where minor changes to the operating model could lead to additional savings. The savings proposed are 2.5% of the annual service charge. These targets could be flexed but it was felt this represent an achievable target without fundamentally changing the service provision.	(292)	(292)
Corporate	Procurement & Commercial	Lease Car Scheme	Replace the Lease car scheme with alternative – this is now under review	(92)	(127)
Corporate	Procurement & Commercial	Water Team	Extend the Water Team Function to offer a hydrant inspection service to private landlords (new income source).	(10)	(20)
Corporate	Procurement & Commercial	Accident Cost Recovery Income	Third Party Accident Cost Recovery (income)	(40)	(40)
Corporate – Total				(1,015)	(1,700)

People	People Services	Recruitment Advertising	Saving on Budget for recruitment advertising	(8)	(8)
People	People Services	Cross Departmental savings following People Restructure	Savings across LFB formed as part of an initial budget submission is 2022/23, but re-phased to align with delivery of People Services Review.	(300)	(600)
People	Learning & Professional Development	Removal of PDR	Remove electronic Performance Development Reviews and focus entirely on the apprenticeship programme for achieving competence as a firefighter. This will enable a range of benefits including allowing for more effective and efficient development. This cost primarily relates to Station and Group Commanders (Cost in 23/24 reducing in future years)	(289)	(296)
People - Total				(597)	(904)
Operational Prevention, Protection & Policy	Operational Policy	RPE Team	Planned removal of Respiratory Protection Equipment Team following completion of project. Previous savings proposal for 2023/34. Due to slippage of the project the anticipated saving can no longer be realised in 2023/24. It is now expected to be achieved in 2024/25.	(355)	(355)
Operational Prevention, Protection & Policy	Fire Safety	Staffing	Delete the Apprentice posts (once returned to establishment).	(121)	(121)
Operational Prevention, Protection & Policy	Fire Safety		Convert up to 3 SC TL posts to FRS E - delivery is dependent on Officer Review	(90)	(90)
Operational Prevention, Protection & Policy	Operational Resilience	Ballistic Protection	Temporary Investment required in 2023/24 to complete project and therefore base funding from 2024/25 no longer required.	(146)	(146)
Operational Prevention, Protection & Policy - Total				(712)	(712)
Savings - Total				(2,324)	(3,316)

Appendix 3 (B)
New Budget Savings 2024/25

Directorate	Department	Savings Title	Savings Description	2024/25 Saving £'000	2025/26 Saving £'000	2026/27 Saving £'000
Communications	Communications	Team budgets	Efficiencies will be achieved by reducing spend accordingly across non-staffing budgets where we are not contractually obligated to make payments to suppliers during that period.	(55)	(55)	(55)
Communications – Total				(55)	(55)	(55)
Corporate	Finance	Implementation of Salary Sacrifice for LGPS Pension AVCs	LFB FRS staff can currently pay Additional Voluntary Contributions (AVCs) into their LGPS pension. Under a salary sacrifice scheme an employee will save Income Tax but and National Insurance Contributions. The LFB would also then save 13.8% employer Class 1 NIC on the employee contribution through the reduced employee's pay. On the current take up of AVCs a saving of £15k could be achieved.	(15)	(15)	(15)
Corporate	Finance	Review of Salary Sacrifice for Electric Vehicles (EVs)	It is proposed to consider a salary sacrifice scheme for all staff to be able to purchase an electric car. Under a salary sacrifice scheme an employee will save Income tax and National Insurance Contributions through paying for the EVs from gross pay. The LFB will also save 13.8% employer Class 1 NIC on the employee contribution through the reduced employee's pay. For example, on an assumed £10k pa cost of a £50k EV this would equate to a saving of around £1.4k. This is scalable, depending on take up e.g. 10 EVs = £14k, £76k = circa 56 (approx. 1% of workforce) saving used for this budget saving proposal. Other benefits would include helping with	(76)	(76)	(76)

			recruitment and retention of staff and helping with LFB's green agenda ambitions.			
Corporate	Finance	Salary Reduction - Payroll	A saving of 1 x FRS B Payroll post (vacant) from the loss of the GLA payroll shared service	(40)	(40)	(40)
Corporate	Finance	Delay in system implementation efficiency savings	Savings had previously been identified in the 2024/25 and 2025/26 budget due to efficiencies resulting from the projects to implement a new HR & Payroll System and a new Finance system. Both of these projects have had significant delays, so the previously identifiable savings need to be delayed for a further year.	0	0	(80)
Corporate	Information and Communication Technology	Mobile Phone Contract	The new provider has realised savings.	(189)	(189)	(189)
Corporate	Information and Communication Technology	Mobile phone replacements	Change in approach to only replacing defective devices.	(51)	(51)	(51)
Corporate	Property & TSS	Operational Equipment	Commitments for the next few years as noted in Briefing Papers however some budget available. Post inventory management.	0	0	(10)
Corporate	Property & TSS	Protective clothing	A conservative review was undertaken to assess the amount of PPE required in the OSG. It is expected that leasing the decontamination machines may reduce this further however it is too early to substantiate this.	0	(100)	(100)
Corporate	Procurement & Commercial	Scientific Services Contract - Attendance Times	Remove the provision of blue light attendance by Bureau Veritas (BV) and restrict the service to an office hours only based operation. This proposed removal of blue light attendance could also reduce insurance costs and some vehicle costs.	(400)	(400)	(400)
Corporate	Property & TSS	Review of contract	Contract is out to tender with expected savings generated.	(5)	(5)	(5)
Corporate	Property & TSS	Fuel	A reduction in the number of diesel vans in the department from 5 down to 1, releasing savings.	(5)	(5)	(5)

Corporate	Property & TSS	Removals	This budget can be removed. Demand in recent years has dropped as removals are largely managed as part of overall projects. Future removals will need to be covered as part of projects, funded by local budgets, or addressed as part of the small works budgets.	(35)	(35)	(35)
Corporate	Property & TSS	Compliance & Audit professional services planned	Due to the restructuring of the department and introduction of the technical assurance team and FM audit process, the services for compliance and audit have been amended as part of the new contract that is being procured to generate savings.	(150)	(150)	(150)
Corporate	Property & TSS	Fixtures & Fittings	This budget can be removed. It was used by the Access and Workplace team for HQ and demand for this has reduced. Any future requirements will be funded from the small works budgets.	(4)	(4)	(4)
Corporate	Property & TSS	Reactive Refuse Collection	Following completion of the big station clean, it is anticipated that demand for this budget will reduce due to better housekeeping.	0	(10)	(10)
Corporate	Property & TSS	Office Equipment	50% of the budget being offered as a saving due to reduced use of Union Street, spend has been monitored and this further saving can be offered from this budget.	(3)	(3)	(3)
Corporate	Property & TSS	Office Furniture	35% of the budget is being offered as a saving due to reduced demand. This budget is used to support DSE requests for additional furniture and spend has been monitored and this further saving can be offered from this budget.	(2)	(2)	(2)
Corporate	Property & TSS	HGV Licenses	A review has confirmed no further requirements for this budget so it can be removed.	(2)	(2)	(2)
Corporate	Property & TSS	Consumables Peripherals	This budget can be removed. Any spending will be captured as part of consumables printing.	(1)	(1)	(1)
Corporate - Total				(978)	(1,088)	(1,178)
Operational Preparedness & Response	London Resilience Group	Increased COMAH cost recovery	We forecast receipts/COMAH income will be c.£80,000 in 2023-24 and in 2024-25. This is an increase from the current £45,000 income budget, therefore representing a £35,000 efficiency saving.	(35)	(35)	(35)

Operational Preparedness & Response	Operational Resilience & Control	Offset savings against income generated by NILO, 911 course & NCLO course	OR & C are unable to provide post savings however can offset 65K per annum in income generated by the NILO course, NCLO course and the 911 course per year.	(65)	(65)	(65)
Operational Preparedness & Response	Fire Stations	Additional income	Shut in Lifts	(236)	(236)	(236)
Operational Preparedness & Response - Total				(336)	(336)	(336)
Operational Prevention, Protection & Policy	Operational Policy	NOG	The investment in 25/26 as part of the 23/24 budget process is no longer required as it is expected the implementation period will be completed by the end of 2024/25	0	(297)	(297)
Operational Prevention, Protection & Policy	Health and Safety	Staff training and continuous professional development - reduction in available departmental funds	The department maintains a budget for staff training and continuous professional development because of the high burden on training and CPD for the departmental staff, who require to be trained in general health and safety qualifications (operational and junior staff) and to maintain professional expertise in specific areas (e.g. noise and vibration assessment) and for general CPD for professional staff. This budget could be reduced but it would potentially have an impact on training and development of departmental staff.	(17)	(17)	(17)
Operational Prevention, Protection & Policy - Total				(17)	(314)	(314)
Savings - Total				(1,386)	(1,793)	(1,883)

Appendix 4 (A)**Budget Investments 2024/25 (as part of last year's budget process to start in 2024/25)**

Directorate	Department	Investment Title	Investment Description	2024/25 Investment £'000	2025/26 Investment £'000
Operational Prevention, Protection & Policy	Operational Policy	Gas Detection	Purchase and replace existing gas detection monitors at the end of product life cycle on all front-line pumping appliances.	65	0
Operational Prevention, Protection & Policy - Total				65	0
Investments - Total				65	0

Appendix 4 (B)

Community Risk Management Plan (CRMP) Investments 2024/25

CRMP Programme	Investments Title	Investments Description	2024/25 Investment £'000	2025/26 Investment £'000	2026/27 Investment £'000
Localised Services Programme – Total		It is expected the requirements of this programme can be met by the data platform or OneRisk projects, but this will be reviewed again next year.	0	0	0
Accessible Services / Community Partnership Programmes	Home Fire Safety Checker campaign	A year-long campaign to promote the Home Fire Safety Checker and meet our performance KPI. Supported by specialist training for LFB staff	45	0	0
Accessible Services / Community Partnership Programmes	Chatbot pilot	Develop and pilot an interactive chatbot-style tool that provides tailored advice to the public.	50	0	0
Accessible Services / Community Partnership Programmes	Integrated digital channels scoping	Project to scope the work required to meet the outcomes of the initiatives of future transition states of the CRMP.	50	0	0
Accessible Services / Community Partnership Programmes	Website operations and maintenance	LFB website operations and maintenance	200	0	0
Accessible Services / Community	Website accessibility	Maintain and improve the accessibility of the LFB website and specialist software	30	30	30

Partnership Programmes					
Accessible Services / Community Partnership Programmes	Tailored initial point of contact	A Year-long campaign to provide people with tailored information so that they are informed before an incident and are able to provide us with the information they need before contacting us.	10	0	0
Accessible Services / Community Partnership Programmes	Social listening	Creation and development of a social listening service that informs our engagement with communities and the general public (including businesses)	30	30	30
Accessible Services / Community Partnership Programmes	Self-Service	Self-service capabilities across channels	100	0	0
Accessible Services / Community Partnership Programmes – Total			515	60	60
Modern Services Programme - Other	Research & Organisational Learning	The provision of a research capability to translate LFB's Annual Assessment of Risk and Organisational Learning into operational policy, capability and safe systems of work.	509	509	509
Modern Services Programme - Other	Supporting Corporate Projects	Technical support for command units	225	225	225
Modern Services Programme - Other	Enabling	Procurement – Support to One Risk Project	261	261	0
Modern Services			995	995	734

Programme - Other					
Modern Services Programme – Modern Firefighter	Modern Firefighting	The provision of a modern Firefighting Strategy to uplift operational firefighting capability to becoming in line with NOG, Firefighter Core Competencies, and the London operational risk profile (Risk Register OP9) This encompasses PPV and Fogspikes	4,900	6,400	8,000
Modern Services Programme – Modern Firefighter	Programme Mgt Costs	Programme Mgt Costs Deliver the Programme objectives across all transition stages	233	233	233
Modern Services Programme – Modern Firefighter	Enabling Support	Enabling support costs to Property & TSS to support initiatives that cannot be found from BAU resource.	170	170	170
Modern Services Programme – Modern Firefighter			5,303	6,803	8,403
Modern Services Programme - Total			6,298	7,798	9,137
Culture Transformation Programme		Uniform and Clothing	500	1,500	0
Culture Transformation Programme	Enabling	Procurement – Lead on Clothing Procurement Projects	95	95	0
Culture Transformation Programme		Learning and Development re-design to include consultancy, service provision and development activity re; 360 feedback. The re-design includes leadership and wellbeing.	560	560	560

Culture Transformation Programme		Investment in critical training, coaching, mentoring and leadership. Development of EDI provision and in support of a revised EDI strategy.	750	750	750
Culture Transformation Programme		Staff increase to support talent strategy and increasing apprenticeship model for the Brigade.	432	432	432
Culture Transformation Programme		Programme contingency funds for consultancy, research, training and communications.	125	125	125
Culture Transformation Programme		Leading Culture Conversations	200	0	0
Culture Transformation Programme	Enabling Support	Enabling support costs to Property & TSS to support initiatives that cannot be found from BAU resource, including station clean up costs in 24/25.	176	26	26
Culture Transformation Programme		Enhanced DBS Checks	167	78	78
Culture Transformation Programme		U&C: Blue shirts	110	0	0
Culture Transformation Programme		Quality assurance of HFSVs	100	0	0
Culture Transformation Programme		Safety First Culture in High Resilience Organisation	20	0	0
Culture Transformation Programme		Advisory Board	15	15	15
Culture Transformation Programme		Creating established posts within the Leadership Academy, removing the need for detachments from station. In addition 2 x FRS posts: an FRS D providing additional support within Learning Support to carry out the Triage Service and run the digital diagnostics, aims to improve efficiency and reduce the number of referrals for full	600	600	600

		diagnostic assessments and associated costs; an FRS C to provide additional capacity to deliver core work and support the administration of the growing Coaching & Mentoring Programme.			
Culture Transformation Programme		Equality Support Groups funding	100	100	100
Culture Transformation Programme		Requirement for funding of roles not currently identified as utilising reserves to fund and in future years building investment into base budget assumptions.	385	738	849
Culture Transformation Programme		Additional resourcing requirements due to no posts in establishment to transfer and cover vetting responsibilities.	128	128	128
Culture Transformation Programme		Investment to create posts in PSU establishment. Currently supported through detachments. Potential to continue with detachments, but with requirement to understand impact on both operational availability and overtime/AVM impacts.	295	295	295
Culture Transformation Programme - Total			4,758	5,442	3,958
Streamlined Services Programme	Discovery Review	Streamlining and automating high volume, transactional activities for improved productivity and capacity for frontline staff. Discovery review of enabling services	300	0	0
Streamlined Services Programme	Procurement	Changes to the Procurement establishment structure in addition to those proposed in the November 2023 budget submission to deliver key priorities across both CRMP Programmes and also adding further value and avoidance of cost throughout BAU projects.	233	177	177
Streamlined Services Programme - Total			533	177	177

Data-driven Performance Programme	Data Platform	2 x FRS Fs for data platform and value led KPI definition work streams.	175	175	175
Data-driven Performance Programme - Total			175	175	175
Sustainable Service Programme	National Operational Guidance (NOG)	As per the NOG implementation report, a request to build in an additional £358k to the 24/25 budget process. This is to replace the previously expected drawdown on the budget flexibility reserve (BFR)	358	0	0
Sustainable Service Programme	HVO fuel	Additional cost of HVO fuel compared to diesel	170	170	170
Sustainable Service Programme	Solar PV installation	Solar assessment by consultant	30	0	0
Sustainable Service Programme	Salix HDP	Heat decarbonisation plans for property. This is required for consultancy to prepare Salix applications and for building CNZ requirements	30	30	60
Sustainable Service Programme	Telematics	Fleet vehicle telematics project	0	200	100
Sustainable Service Programme – Total			588	400	330
Change Capability Programme		Additional Business Change Management resource identified above the central allocation to deliver the change activities	100	0	0
Change Capability Programme		Development and delivery of business case training (to support achieving outcome on value-led assessment for portfolio management)	10	5	5

Change Capability Programme		Development and implementation of automated reporting (to support outcome of project 5 "portfolio management")	10	5	0
Change Capability Programme		Development of an innovation hub (to support achieving outcome of project 4 "agile change delivery")	10	10	10
Change Capability Programme		Development and delivery of change (training) "bootcamps" (to support achieving outcome of project 3 "embedding a change culture")	5	5	5
Change Capability Programme		Additional 2 x FRS D to help support programme delivery	117	117	117
Change Capability Programme - Total			252	142	137
Optimism Bias and potential rephasing		Equivalent to 3% of overall programme	(400)	(400)	(400)
CRMP Investments - Total			12,719	13,794	13,574

Appendix 4 (C)

Departmental/ Business As Usual (BAU) Investments 2024/25

Directorate	Department	Investment Title	Investment Description	2024/25 Investment £'000	2025/26 Investment £'000	2026/27 Investment £'000
Communications	Communications	Team Structure	To create a new post in the Establishment for the continuation of a currently temporary staff officer post.	95	95	95
Communications	Communications	Consultation	To operate two consultations a year	70	70	70
Communications	Communications	Team Structure 2	Creating a permanent transformation communications manager (post currently fixed term), to reflect the long-term resource requirement	70	83	83
Communications	Communications	Rota and overtime funding	Creation of an overtime fund to support the availability to the press office group, bringing LFB in line with other public sector bodies and greater flexibility and support working.	68	68	68
Communications	Communications	History of LFB film	Film showcasing the history of LFB to be used across channels	50	0	0
Communications	Communications	Translation and interpretation	Dedicated fund for translation and interpretation services which does not currently exist.	30	30	30
Communications	Communications	Community Engagement	To uplift Community Engagement delivery budget	20	20	20
Communications	Communications	Travel	More effective travel plan, allowing for a fixed allowance consistent with delivery and expectations of role requirements.	7	7	7
Communications – Total				410	373	373

Corporate	Finance	Loss of GLA Payroll Shared Services	The GLA payroll was previously provided by LFB but has now been moved to another provider resulting in a loss of the additional income for the service.	62	62	62
Corporate	Finance		Savings had previously been identified in the 2024/25 and 2025/26 budget due to efficiencies resulting from the projects to implement a new HR & Payroll System and a new Finance system. Due to changes in system implementation, savings need to be deferred but still be delivered overall by 2026/27.	40	40	0
Corporate	Finance	Finance System Replacement	Subject to further review based on licensing costs of new system. This is based on the latest report to IFB.	127	127	127
Corporate	General Counsel	Independent Culture Review	External cost pressures in relation to Independent Culture Review	150	0	0
Corporate	Information and Communication Technology	Desktop Licensing	Microsoft 365 licenses - Provide common desktop licensing to all staff (Microsoft Office) – currently, station staff have a lower cost version which prevents efficient working.	409	409	409
Corporate	Information and Communication Technology	Reasonable Adjustments for Staff	Investment in accessibility and reasonable adjustments (meeting our legal obligation and treating staff equally in line with our Independent Culture Review commitments) – active life cycle management for devices, software, and user support.	162	405	405
Corporate	Information and Communication Technology	Data Backup Integrity	Cyber security - Modernised backup solution (recovery from a cyber-attack)	400	400	400

Corporate	Information and Communication Technology	Cyber Defense	Security Information Event Management (SIEM) solution - gives security analysts full visibility of logs ingested from many sources/systems through a single dashboard, greatly improving capability to detect and manage actual or suspected security incidents.	134	230	230
Corporate	Information and Communication Technology	Supporting Users to use Systems	Increased Systems Support - an FRS E post to do user guides, admin guides, video how-to's, etc. for all systems. Maybe even station/area visits from time to time.	42	57	57
Corporate	Procurement & Commercial (CRMP)	Department Transformation	Specialist Procurement Project/Programme Manager to support the Procurement Improvement Roadmap for 12-month period. Initial 6 months will fall immediately within FY23/24 with a further 6 months required in FY 24/25.	105	0	0
Corporate	Procurement & Commercial	Department Restructure	Additional support to the Department with Enabling Services to ensure the correct ratio of Senior Resource is focusing on Strategy, Influence and leadership oversight of Team and Projects to maximise delivery outcomes and adequately equipped to make informed choices, decisions and reporting.	100	100	100
Corporate	Procurement & Commercial	Department Restructure	Additional role as part of the re-purposed Performance & Assurance (Business Enablers) team to deliver department wide analysis, reporting and planning data and ensure the provision of a high-quality service as a modern and professional Procurement function.	83	83	83
Corporate	Procurement & Commercial	Department Transformation	Procurement Training	30	30	30
Corporate	Property	Gym Equipment	Additional cost pressures identified due to expiry of existing contract upon renewal	18	18	18

Corporate	Property	Lambeth River Boat Station	Maintenance costs	125	0	0
Corporate	Property	Carbon Net Zero	Additional Investment required to uplift one role to deliver a sufficient CNZ delivery team.	16	16	16
Corporate	TSS	Misting Lances Maintenance	Additional annual maintenance costs in department due to misting lances project.	11	11	11
Corporate - Total				2,314	1,988	1,948
Operational Preparedness & Response	Learning & Professional Development	FFD Implementation Team	Increase in establishment to support future delivery model and FFD risk controls.	2,989	2,010	2,010
Operational Preparedness & Response	Learning & Professional Development	Training Operations: Major Change	Investment required as part of change in the Incident Command training model, equating to an increase in course requirement for acquisition and revalidation at command levels 1 - 4.	582	619	656
Operational Preparedness & Response	Learning & Professional Development	Internal Quality Assurance Team	The implementation of a training assurance team, following framework development, to monitor and evaluate products and/or services associated with internal and external training, including the assurance and monitoring of Babcock training delivery against legislation, policy and National Occupational Standards.	0	0	550
Operational Preparedness & Response	Learning & Professional Development	FFD Delivery Model	To account for the current in year position due to future changes to the programme, most notably moving from to 15 weeks.	526	578	515
Operational Preparedness & Response	Learning & Professional Development	Training Operations: Staffing	Transition from temporary to establishment roles. This ensures the correct number of personnel to respond to the demands of LFB. This will also allow for the team to develop processes and practices that future proof the process of managing training.	0	0	371

Operational Preparedness & Response	Learning & Professional Development	Operational Training Support Team (OTST) Building Acquisition	The purchase or lease of an appropriate training facility for operational training exercises in support of modern firefighter capability.	0	0	300
Operational Preparedness & Response	Learning & Professional Development	Operational Training Support Team (OTST)	Increase to staffing levels (currently 2 x SC) to support continuation of high-rise exercises and the development of further exercises to support DaMOP and the evolving modern firefighting model.	0	0	630
Operational Preparedness & Response	Learning & Professional Development	Training Change - Competency Framework System	The procurement or development of a system to monitor competency levels and track skills requirements at all levels of the organisation to maintain compliance and firefighter safety. There is also a need to support the longer term embedding of the appraisal process and its ability to automate and draw information from other platforms and data sets, which may benefit from an enhanced system.	220	233	233
Operational Preparedness & Response	Learning & Professional Development	Training Change - Competency Framework Development	The creation of established posts that are currently performed through the use of temporary secondments or use of operational personnel.	0	0	167
Operational Preparedness & Response	Learning & Professional Development	Training Operations: Helpdesk incl. out of hours	Reestablishing the helpdesk function as part of LPD customer satisfaction KPI and as a control measure for the delivery of the training plan to maximise delegate throughput and training unit utilisation.	4	4	4
Operational Preparedness & Response	Learning & Professional Development	Modern FF & Training	Overall support to deliver key outcomes of Modern Firefighting and Training investments.	65	65	65

Operational Preparedness & Response – Modern Firefighting				4,386	3,509	5,501
Operational Preparedness & Response	Fire Stations	Staffing	Additional roles for Quality assurance and management for new home fire safety visits approach	125	125	125
Operational Preparedness & Response	Fire Stations	Station Open Day	Open day funding across all stations	26	26	26
Operational Preparedness & Response	Fire Stations	PPE	Reserve PPE - River Boat Station	12	0	0
Operational Preparedness & Response	Operational Resilience	Grant reduction	Recognition of grant reductions	139	139	139
Operational Preparedness & Response	Health & Safety	Safety Event	Due to ongoing pressures within the general management of the safety event reporting database (provided by Sphera) and ongoing concerns regarding the poor quality of safety event investigations and monitoring of investigation outcomes there is a requirement to maintain one post in here that was previously provided as a saving.	35	35	35
Operational Preparedness & Response - Other				337	325	325
Operational Preparedness & Response - Total				4,723	3,834	5,826

Operational Prevention, Protection & Policy	Operational Policy	Immediate Emergency Care	To provide the delivery of Immediate Emergency Care (Medical Intervention & Governance) as aligned to National Operational Guidance, the recommended outcomes of the Manchester Arena Inquiry, the Firefighter core competency framework, and assurance against the clinical governance provided by London Ambulance Service.	160	262	262
Operational Prevention, Protection & Policy	Operational Policy	Policy Writing	The provision of 2 FRS Technical Editors to sustainably uplift the policy writing skill capability.	154	154	154
Operational Prevention, Protection & Policy	Operational Policy	Project Management	The provision of 2 FRS Project Managers to sustainably uplift the efficiency and effectiveness of OP&A's project delivery.	154	154	154
Operational Prevention, Protection & Policy	Operational Policy	Heatwave Management	LFB enter into a pilot to prove concept for the use of long wheelbase 4x4 crew cab vans for responding to extreme weather events creating an Extreme Weather Vehicle	150	0	0
Operational Prevention, Protection & Policy	Operational Policy	Contaminants	This project will identify the operational equipment to deal with the risks associated with fireground contamination and will identify measures required for the protection of operational staff from carcinogens.	100	0	0
Operational Prevention, Protection & Policy	Prevention and Protection	HFSV Software	HFSV Software development	150	0	0
Operational Prevention, Protection & Policy	Prevention and Protection	Staffing	Increase by 1 Station Commander Post – Prior years had reduced establishment by greater than envisaged.	86	86	86

Operational Prevention, Protection & Policy	Prevention and Protection	Primary Authority Partnerships Advisory Services Income Reduction	Reduce income figure for Primary Authority Partnership Advisory Income.	85	85	85
Operational Prevention, Protection & Policy	Prevention and Protection	Savings	Partial revision of prior year saving due to establishment requirements.	47	47	47
Operational Prevention, Protection & Policy	Prevention and Protection	Petroleum Special Services/Collections Income Reduction	Reduce income of Special Services/Collections	15	15	15
Operational Prevention, Protection & Policy - Total				1,101	803	803
People	People Services	Occupational Health	Identification of one-off increased costs to deliver Occupational Health Services whilst we re-tender for longer term service	285	0	0
People				285	0	0
Transformation	Business Services	Additional staff investment	Investment in 2 additional FRS staff in Business Services	152	152	152
Transformation	Business Services	Training investment	Investment in training budget for Business Services	18	18	18
Transformation - Total				170	170	170
Investments - Total				8,703	7,168	9,120

Appendix 5
Equality Analysis / Equality Impact Assessment (EIA)

A. Name and the nature of the programme/ activity
London Fire Brigade Budget Submission 2024/25
B. Reason for Equality Impact Assessment
<ul style="list-style-type: none">• Proposed change to an existing programme/ activity• Undertaking a review of an existing programme/ activity
C. Person responsible for the programme/ activity
Name: James Buttery Job title: Principal Budget Planning Accountant Department: Finance
D. Equality and diversity considerations Describe the ways in which the groups below may be impacted by your activity. There are some example questions below to aid your thinking (delete any that are not relevant):
The purpose of an EIA is to give as much information as possible about potential equality impacts, risks or opportunities that your policy, activity or project may have on different groups of people.
This Equality Impact Assessment should demonstrate due regard for the provisions of the Public Sector Equality Duty by considering the following:
<ol style="list-style-type: none">1. identify possible negative impacts of decisions on individuals and groups with protected characteristics and plan mitigating action accordingly; and,2. identify additional opportunities to advance equality within policies, strategies, and services. <ul style="list-style-type: none">• Age (e.g. are there ways older or younger people may find it difficult to engage in your project or process?, are there young/old people who need support)• Disability/Barriers (do you need to consider large print or easy read of any surveys /questionnaires?)• Race (including ethnicity and nationality) (does your project take into account the needs of people from different groups, if not do you need to make any adjustments?)• Religion or belief (do people from faith groups experience any specific disadvantage in relation to your research project)• Gender• Sexual orientation (is your language inclusive of LGBT+ groups?)• Trans and non-binary – is your language inclusive of trans and non-binary people?• People experiencing multiple needs such as homelessness, mental health problems, being involved in the criminal justice system or substance misuse.• Pregnancy and maternity• Social deprivation- e.g. people who may be prohibited from attending your event due to the cost of travel, people who live in deprived areas and homes which may be at risk, responsibility of the council (if the activity is in the community)

Consultation will be ongoing with RBs, ESGs and Belonging, Inclusion and Wellbeing team. Individual discussions with staff members who are affected by post-deletions will be had and this will consider the possible negative impacts on certain individuals or groups of people as listed above.

Relevant information will be sought from People Services if the information is readily accessible and will be used for the purposes to which the information is contained such as age, gender etc to assess potential impacts on certain groups of people and how mitigations can be put in place.

E. Evidencing Impact

Please answer each of the following questions

i. What information have you used to understand all people who will be involved in or affected by your programme/ activity? (e.g. if your activity refers to all employees, how did you learn about what they need and think, especially those with protected characteristics – did you ask directly? Did you generalise based on wider research, did you consult, if so, how many and when and what did they tell you, or what did you learn?)

Consultation will occur throughout the budget process for any of those people directly impacted upon.

The following budget proposals signify the potential for staffing reductions to be made;

1. Finance - There are two projects underway to replace the LFCs HR and Payroll System and the Finance System. It is anticipated that the implementation of the new systems will likely deliver efficiencies which will be identified in a review of the staffing resources and work processes.
2. People - Savings across LFB formed as part of an initial budget submission is 2022/23, but re-phased to align with delivery of People Services Review.
3. Operational Policy (RPE Team) - Planned removal of Respiratory Protection Equipment Team following completion of project. Previous savings proposal for 2023/34. Due to slippage of the project the anticipated saving can no longer be realised in 2023/24. It is now expected to be achieved in 2024/25.
4. Finance – Payroll - A saving of 1 x FRS B Payroll post (vacant) from the loss of the GLA payroll shared service

Further to this, a mitigation action plan will be developed to address any issues prior to any project starting.

ii. Explain any gaps in evidence/ insufficient information to properly assess the impact of your programme/ activity, and how will this be addressed? e.g. further research or working with a voluntary sector organisation?

Further research will be undertaken in respect of savings within finance post system implementation to assess the potential for savings to be made and in which areas.

The saving within payroll will be through the deletion of a currently vacant post.

Across People Services, this is dependent on organisational wide savings and are not currently targeted to a specific department or employee group. Any implications of the people services saving for 2024/25 will be considered as part of separate reporting in line with governance requirements.

iii. Explain whether your programme/ activity disproportionately affects any group named above?

Impact assessments are living documents and will continually be updated to reflect the dynamic nature of staff's needs. Where adverse impacts have been identified, engagement and consultation will continue with trade unions, equality support groups and the Inclusion Team to determine actions to mitigate these.

iv. Describe whether this programme/ activity may potentially lead to discrimination (direct or indirect), harassment, victimisation, or less favourable treatment of people with protected characteristics?

All managers are reminded of their duty of care and responsibilities under the Public Sector Equality Duty.

v. Describe whether your programme/ activity contribute to advancing equality of opportunity?¹

Investment opportunities and growth within certain departments will be undertaken using fair recruitment practices, ensuring the needs of certain groups are considered and any flexible arrangements sought where required.

vi. Describes where there an opportunity for your programme/ activity to foster good relations between groups?

Various stakeholders, such as trade unions will be consulted on the range of proposals contained within the budget report (including in relation to pay and skills payments) and the potential positive impacts and opportunities available alongside putting in mitigating factors as far as possible to minimise the impact on any one individual or group. Such actions may include; assimilation or re-deployment.

vii. Identify any reasonable adjustments to your programme/ activity to avoid discrimination or advance equality of opportunity?

Those impacted heavily throughout any of the proposals in the budget report will be contacted and consulted with as part of the process if on long terms sickness or maternity/paternity leave.

viii. How is the programme/ activity's communication made accessible to all groups?

The budget report is available online, circulated to key stakeholder groups such as the Industrial Relations Team and Union Groups.

ix. How are you engaging people with a wide range of protected characteristics in the design, implementation and monitoring of the programme/ activity?

The proposals within this report will be included as part of the LFC's Budget Submission to the Mayor, where it will then be consulted on as part of the GLA's consolidated consultation budget for 2024/25.

Appendix 6

Capital Strategy

LFC Capital Strategy 2023/24 and beyond

Description

Capital is defined as all expenditure not directly included in the annual revenue budget (General Fund) and generally results in a new or enhanced asset or investment held on London Fire Commissioner's (LFC) balance sheet.

All capital expenditure must comply with the Capital Strategy. The Capital Strategy brings together detailed policies, procedures and plans relating to existing land and building related assets and treasury management transactions and applies to the General Fund.

The Capital Strategy forms an essential part of the LFC's integrated revenue, capital, and balance sheet planning. It aligns to the Medium-Term Financial Plan (MTFP), and the Annual Revenue Budget.

The Capital Strategy also provides a framework by which capital expenditure decisions are made as required by the CIPFA Prudential Code for Capital Finance in Local Authorities and LFC to provide good governance.

It should also be noted that whilst this is a capital strategy, it also applies to all expenditure of a revenue nature relating to land and buildings, such as asset maintenance and planned asset development programmes where significant revenue expenditure is incurred in the revenue budgets.

Intention

1. The Capital Strategy has been developed in accordance with the CIPFA Prudential Code (2018 edition) to ensure that all amounts borrowed by London Fire Commissioner's (LFC) are affordable. The Capital Strategy outlines the LFC's approach to capital investment decisions and priorities, ensuring that it is in line with corporate priorities. These priorities are set out in the London Safety Plan (LSP), and the Community Risk Management Plan (CRMP) which came into effect on 1 January 2023. This superseded the Transformation Delivery Plan (TDP) from 2020, in which the Commissioner set out the purpose, vision and priorities for the Brigade. The CRMP has been built on this and set out the Brigade's ambitions for the next six years.
2. The Capital Strategy supports the Brigade and it is intended to give a high level overview of how the capital expenditure and capital financing contribute to delivery of services and its purpose as an organisation trusted to serve and protect London, and delivery of the Mayor's priorities.
3. The LFC Capital Strategy and capital programme covers a more detailed outlook set over a five-year timeframe. The Strategy does, however, include a longer-term vision, a forward look at those projects that are likely to run beyond the five-year strategy and programme period or be initiated subsequently. This covers a timeframe for the 15 years from 2028/29 to 2042/43. The format of the Capital Strategy complies with the Prudential and Treasury Management Codes issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).
4. The Capital Strategy sets out a framework for the management of capital finance and along with the LFC Treasury Management Strategy covers the following areas:
 - a. Capital Expenditure and Investment Plans;
 - b. Prudential Indicators;
 - c. External Debt; and

d. Treasury Management.

5. The Capital Strategy addresses the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code, which sets out a requirement for local authorities to produce a Capital Strategy to form part of its integrated revenue, capital and balance sheet planning. The Capital Strategy is updated annually to react to the changing LFC priorities, social and demographic changes and the financial climate.
6. The Capital Strategy has been prepared as part of the budget setting process and is to be submitted to the Mayor as part of the budget submission, approved by the LFC. The final Capital Strategy will be approved by the LFC in March 2024. This is an annual requirement, and the Capital Strategy will be published in draft as part of the budget submission to the Mayor in November, and as a final Capital Strategy following approval by the LFC in March 2024.

Benefits

The Capital Strategy demonstrates that the LFC takes capital expenditure and investment decisions in line with service objectives, and properly takes account of stewardship, value for money, prudence, sustainability, risk and affordability.

The key benefits of the Capital Strategy are to deliver a capital programme that;

- a. ensures the LFC's capital assets are used to support the delivery of services according to the priorities within the London Safety Plan and the Community Risk Management Plan;
- b. links to the LFC's Asset Management Plan and other LFC Strategies/Plans, such as the sustainability strategy;
- c. is affordable, financially prudent and sustainable;
- d. ensures the most cost-effective use is made of the existing assets and new capital expenditure; and
- e. supports delivery of the Mayoral policies and objectives.

Approach

The Community Risk Management Plan sets out the LFC's vision that "We will be a dynamic, forward-looking organisation of fully engaged people at the centre of the communities we serve, adapting to the changing needs of London".

The Capital Strategy has been derived largely from the Asset Management Plan, the ICT Strategy, the Fleet Replacement Plan, the Sustainability Strategy, the Treasury Management Strategy and the Community Risk Management Plan (CRMP) put in place from 2023/24. It has been developed to reflect the LFC's priorities and will be reviewed for future years to deliver against the CRMP. It will also support addressing the recommendations from the Grenfell Tower Inquiry and the HM Inspectorate of Constabulary and Fire & Rescue Services.

The Asset Management Plan seeks to align the asset portfolio to best support service delivery by the Brigade. It reflects the requirements of the CRMP, the review undertaken by Anthony Mayer into the Brigade's resources, the terror preparedness review undertaken by Lord Harris, the LFC's inclusion strategy and the Mayor's Homes for Londoners agenda. A condition survey has been undertaken for all LFC properties, and the current condition and functional suitability of the property has been assessed against the LFC's requirements for a modern fire service.

The ICT Strategy seeks to ensure that the technologies available to the Brigade, via a range of ICT solutions, are fit for purpose, affordable and sustainable, that they are responsive to business need and

valued by staff and stakeholders and are delivered in a cost effective and efficient way, including collaboratively where appropriate.

The Fleet Replacement Plan will meet the Brigade's fleet requirements over the coming years and address the fleet commitments made under the Mayor's London Environment Strategy (LES). This requires LFC to achieve the following targets:

- a. all cars in support fleets to be zero emission capable by 2025;
- b. all new cars and vans (less than 3.5 tonnes), including response vehicles, being zero emission capable from 2025;
- c. all heavy vehicles (greater than 3.5 tonnes) to be fossil fuel- free from 2030; and
- d. zero emission fleet by 2050.

The Treasury Management Strategy sets out the treasury management arrangements in place to manage the LFC's borrowing and cash balances and deliver best practice. It covers the management of LFC's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. This is delivered as part of the London Treasury Liquidity Fund LP.

Influences

The main influences on the Capital Strategy are set out below.

- The age of the estate - about a third of fire stations are over 60 years old and nearly a third are listed, locally listed and/or are in a conservation area.
- The layout and design of the majority of fire stations creates challenges in meeting the needs of a modern service.
- Changing operational requirements – developing response to changes in the type of incidents, including terrorism related, and fire safety particularly in the post Grenfell period.
- Population growth and locating resources to address developing needs
- New fleet requirements due to the changing needs of the service and the new ultra-low emission zone.
- Current shortage of availability for zero emission capable HGVs and new technology regarding electric/hybrid vehicles.
- The shortage of affordable new sites for new or re-located fire stations, together with the aim to ensure that future developments take account of both the Mayor's Homes for Londoners agenda and local planning policies.
- Fire stations operating 24/7 making major refurbishments/extensions difficult to undertake as operational cover has to be maintained. This is coupled with a lack of suitable/affordable sites for fire stations to operate from on a temporary basis whilst the works are undertaken.
- Ensuring that opportunities to benefit from developments in technology are maximised, including the ability to provide positive changes in the delivery of services such as cloud computing.
- The reduction in the level of funding from capital receipts and grants and the ongoing affordability of funding capital expenditure through borrowing.

Mayoral Policies

The Capital Strategy strives to address Mayoral policies as follows.

Ensuring London is:

- a. A city that meets the challenges of economic and population growth in ways that ensure a sustainable, good and improving quality of life and sufficient high-quality homes and neighbourhoods for all Londoners and help tackle the huge issue of deprivation and inequality among Londoners, including inequality in health outcomes.

The Capital Strategy will support this policy as follows:

- To ensure that our fire stations are well placed to meet the needs of Londoners, attending incidents effectively and to the attendance standards set.
 - Looking to open up fire stations so that they become community assets/hubs. Ensure that the design of new fire stations will enable them to be community hubs.
 - Identifying potential opportunities that the estates can offer to provide accommodation to further our prevention priorities with local authorities e.g. the health agenda and crime prevention (cadet training)
 - To contribute to the Mayor's Homes for Londoner's agenda so that where LFC land can be released for development, the requirements for affordable housing are considered.
- b. A city that becomes a world leader in improving the environment locally and globally, taking the lead in tackling climate change, reducing pollution, developing a low carbon economy, consuming fewer resources and using them more effectively.

The Capital Strategy will support this policy as follows:

- Upgrading our fleet to meet the Ultra-Low Emission Zone requirements and to assess and adopt new technologies as and when they become available.
- Aligning our estates strategy with other emergency services and using every opportunity to share buildings through co-location and integrating estate services.
- To improve the energy efficiency of our estates and to continue to take steps to reduce our carbon footprint through sustainable development.
- To continue to unlock the potential latent value in our estate, through engaging private sector developer partnerships on appropriate sites.

20-year Capital Ambition

The 20-year capital requirements are considered below, including investment and capital funding. This is based on the LFC's current capital programme plus the on-going future capital requirements and maintain operational effectiveness at current levels. A key review of the Capital Strategy and 20-year capital requirement has been done in 2023/24 to align the CRMP and TOM with the capital programme.

The LFC capital spending plans for the five years to 2027/28 are approved as part of the budget process and are funded with capital financing costs reflected in the revenue budget. The is set out in the table 1 below:

Table 1: Capital budgets and financing 2023/24 to 2027/28

Project	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL
	£m	£m	£m	£m	£m	£m
Capital Schemes						
Properties	16.1	25.5	39.2	28.0	23.2	132.0
Fleet Replacement Plan	2.7	2.0	7.3	4.0	2.5	18.5
ICT Projects	5.4	3.8	3.3	5.1	14.0	31.6
Communications Project	0.0	0.1	0.3	0.3	0.0	0.7
Operational Policy Equipment	5.7	1.1	0.0	0.0	0.0	6.8
Assumed 10% Optimism Bias		(3.2)	(5.0)	(3.7)	(4.0)	(15.9)
Total Expenditure	29.9	29.3	45.1	33.7	35.7	173.7
Capital Financing						
Reserve	0.3	0.5	0.0	0.0	0.0	0.8
Capital Receipts	0.3	0.0	11.3	0.0	0.0	11.6
Capital Grants	1.4	0.0	0.0	0.0	0.0	1.4
Borrowing	27.9*	28.8	33.8	33.7	35.7	159.9
TOTAL Funded Financing	29.9	29.3	45.1	33.7	35.7	173.7

* £27.9 million for 2023/24 is internal borrowing, the following years then become external borrowing.

Revenue Funding of the Capital Programme for the first 5 years

In the medium-term the total capital plan is £173.7m of which £13.8m of the plan is funded by the use of Reserves, Grants and Capital Receipts (8AE less capital receipts repayable), and the remaining balance is expected to be funded by £159.9m of borrowing. The borrowing costs (MRP and Interest charges) will be £16.0m for 2024/25 and increasing in the following years to £19.8m in 2025/26 and £23.2m in 2026/27 and this is reflected in the revenue budget. As set out in the treasury management report LFC internally borrow a significant amount of funding which reduces the charge to revenue. However, there is a requirement in accordance with the Prudential Code for LFB to set aside sufficient funds to fund the Capital programme should the need arise.

Within the interest charges, this is calculated on the basis of the current PWLB loan interest which stands at 5.23% (5 year re-payment on maturity loan, also assuming the certainty discount rate applies). From 2027/28 onwards the interest rate assumptions are of a borrowing rate of 2.5%.

A further 15 years, from 2028/29 to 2042/43 to complete the 20 year capital ambition has been prepared on the basis of maintaining the asset base at its current level, with updates/replacements as necessary. The further element has some funding identified, however there is a funding gap to be addressed. The element of the capital spending plans is set out in table 2 below and is inclusive of 3% per annum inflationary cost pressures.

Table 2: Capital Ambition 2028/29 to 2042/43 and Ambition Gap

Project	Years	Years	Years	Years
	2028-2033	2033-2038	2038-2043	2028-43
	£m	£m	£m	£m
Capital Schemes				
Properties	74.0	78.6	91.1	243.7
Fleet Replacement Plan	56.7	28.7	43.0	128.4
ICT Projects	22.1	47.3	27.6	97.0
Total Capital Expenditure	152.8	154.6	161.7	469.1
Capital Financing				
Capital Receipts	0.0	0.0	0.0	0.0
Capital Grants	0.0	0.0	0.0	0.0
External Borrowing	152.8	154.6	161.7	469.1
TOTAL Funded Financing	152.8	154.6	161.7	469.1

The programme includes the capital investment requirements to ensure that the LFC's fleet meets the new ultra-low emissions zone requirements (ULEZ) and replacement of vehicles as they come to the end of their useful life. Ongoing capital expenditure on the LFC's estate is included to maintain the condition and functionality of fire stations. There are also estimates for spend on ICT replacement and upgrade. The programme does not include the additional costs in respect of the works to the LFC estate to enable the LFC fleet to be zero emission compliance by 2030 as it is not possible to predict the impact the level of additional infrastructure required at this time. The capital requirement for the LFC estate has been based on analysis that has been undertaken which assesses the condition and functional suitability for all existing fire stations.

Also, the capital programme currently includes funding for a new LFB Headquarters, between 2024 and 2027, when the current Union Street Headquarters lease expires. As investigations continue into alternate arrangements, there may be the potential of additional costs.

The Ultra Low Emission Fleet (ULEF) Programme sets out the steps to be taken to plan, develop, test, procure and deploy new vehicle technologies within the LFC fleet to achieve the targets set out above. It focuses on the process for heavy frontline vehicles, given the current lack of low/zero emission capable HGVs and the technological challenges in developing them.

Government advocates a 'cloud first' approach when considering options for new ICT systems and infrastructure improvements. With this the funding model shifts from capital to revenue-based expenditure, which presents challenges to LFC, due to the increasing pressure on revenue funding and budgets. At present the ICT Strategy does not plan a radical change to the ICT infrastructure in the short term as this would consume significant resources and generate risk in the transitional phase. Instead, a 'cloud' based approach to new systems will be adopted as and when current systems are being replaced which would allow the Brigade to explore new ways for ICT delivery, whilst minimising risk and disruption.

Available Capital Funding

There is a variety of ways in which capital expenditure can be financed, but the main sources are often from a combination of revenue resources/reserves, capital grants, capital receipts and borrowing. A brief explanation for each of these options is described below.

- a. **Prudential Borrowing** - The LFC ensures that the level of borrowing is affordable, prudent, and cost effective. Borrowing is subject to the requirements of the Prudential Code and is managed through the Treasury Management Strategy. Borrowing has a long-term impact on the revenue budget, through the interest payable on the loan and the annual charge for the repayment of the sum borrowed (MRP). Loans are sourced in discussion with the London Treasury Liquidity Fund LP and from the Public Works Loan Board (PWLB).
- b. **External Capital Grants** - Grants are awarded to the LFC from Central Government and other third parties. Most grants are now policy specific and in some cases are awarded through a bidding process. The LFC bids for grant funding as and when opportunities arise
- c. **Capital Receipts** - The LFC is able to generate capital receipts through the sale of surplus assets. This is a limited resource as the majority of the LFC's assets are currently in operational use as part of front-line service delivery and response. The programme includes the sale of the former Clerkenwell fire station. and the former Headquarters at Albert Embankment but the timing and value of the receipts is yet to be finalised. There is the risk that some of the planned capital disposals will not complete. The timing and value of the capital receipts may also be further delayed or reduced due to planning requirements and changes in market conditions.

The LFC aim, wherever possible, is that all large developments are self-funding through the release of land/buildings for sale and the opportunity of sale and leaseback arrangements.

Revenue Funding - LFC can use revenue resources to fund capital projects on a direct basis, however, current funding projections point to a revenue budget gap which means that the capacity for this is very limited. Invest to save projects that result in additional revenue savings in future years are the best option for funding by this method.

The LFC's level of borrowing is forecast to increase as the availability of capital receipts come to an end, and expenditure increases, such as on fleet with the LFC now owning its fire appliances, etc., resulting in additional revenue costs through MRP and the interest charged on outstanding loans. It is expected that the Capital Strategy will be entirely reliant on borrowing over the medium-term, depending on the timing of the remaining capital receipts, with the additional capital financing costs adding to the pressure on the revenue budget.

The table below summarises capital expenditure and debt charges (loan interest and annual MRP change) compared to the estimated debt charges budget from 2026/27 onwards. The future debt charge budgets have been based on the 2026/27 budget and increased by RPI estimated at 3% per annum. Maturing loans and the associated MRP charges reductions have been taken into account, to show the budget requirement and resulting budget pressure each year in the calculation of the required level of debt charges.

Table 3: Capital Expenditure Financed from borrowing and Forecast Revenue costs for Interest and MRP Charges 2028/29 to 2042/43

Future Years	Capital Expenditure	Financed from external borrowing	Debt Charges*	Budget	Budget Pressure
	£m	£m	£m	£m	£m
2028/29	34.0	34.0	35.0	23.2	11.8
2029/30	34.0	34.0	36.0	23.2	12.8
2030/31	24.0	24.0	37.0	23.2	13.8
2031/32	34.0	34.0	38.0	23.2	14.8
2032/33	27.0	27.0	41.0	23.2	17.8
2033/34	27.0	27.0	40.0	23.2	16.8
2034/35	47.0	47.0	37.0	23.2	13.8
2035/36	32.0	32.0	44.0	23.2	20.8
2036/37	23.0	23.0	47.0	23.2	23.8
2037/38	25.0	25.0	48.0	23.2	24.8
2038/39	21.0	21.0	49.0	23.2	25.8
2039/40	22.0	22.0	49.0	23.2	25.8
2040/41	33.0	33.0	48.0	23.2	24.8
2041/42	47.0	47.0	38.0	23.2	14.8
2042/43	38.0	38.0	38.0	23.2	14.8

(Minimum Revenue Provision and interest has been calculated at 2.5% and MRP has been mostly estimated on a 15 year asset life for property and 5 years for ICT for the purposes of the above calculations)

Based on current estimates, the level of debt charges is expected to steadily increase over the period, resulting in a substantial increase in debt charges peaking at £49.0m by 2039/40 before starting to fall. Under current assumptions this would result in the need to increase the capital charges budget by an average of £20m, which would need to be funded by matching savings.

The projected budget pressure, of an average of £20m, is based on current capital spend projections which is based on inflation at 3.0% per annum and the current capital plan assumptions of total expenditure and the expectation of no capital receipts after the sale of 8AE in 2025/26. This figure will change with the following risk items:

- The level and timing of capital receipts.
- The potential of future interest rate rises.
- The availability of resources to deliver the capital programme.

The level of capital spend is largely driven by the need to maintain and replace the fleet, fire stations and ICT that support the current level of service delivery and front-line response. It is therefore difficult to reduce spend without changes to front line service delivery.

Options to bridge funding gap

The LFC will need to consider options on how to bridge the funding gap and ensure that future years capital expenditure is affordable, as part of the development of the next London Safety Plan (CRMP) from 2023/24. Possible options to consider are provided below:

- Provide a revenue contribution to fund the capital programme.
- Pursue possible alternative funding/service delivery options.
- Reduce the level of the capital programme.
- Secure additional resources – GLA/Government.

External Debt

All borrowings are from the Public Works Loan Board (PWLB) and LFC's current and forecast outstanding debt, excluding the borrowing requirements of the capital strategy and current capital programme is as follows:

Table 4: External Debt (excluding repayment profile on new external borrowing)

As 31 March	2024	2025	2026	2027	2028	2033	2038	2043
	£m	£m	£m	£m	£m	£m	£m	£m
PWLB Loans	46.7	43.2	38.2	38.2	35.5	26.5	23.5	14.5
New External Borrowings - GFF		6.0	6.0	0.3	6.0			
New External Borrowings - PWLB	27.9*	28.8	33.8	33.7	35.7	153.0	154.0	162.0
Total External Debt	46.7	78.0	78.0	72.2	77.2	179.5	177.5	176.5

* £27.9 million for 2023/24 is internal borrowing, the following years then become external borrowing.

Interest charges are based on PWLB interest rates fixed when the borrowing was taken out.

The table below sets out the prudential limits for 2024/25 to 2028/29:

Table 5: Prudential Limits

Approved Borrowing Levels £k	2023/24	2024/25	2025/26	2026/27	2027/28
Operational Boundary	240,000	240,000	240,000	240,000	240,000
Authorised Boundary	245,000	245,000	245,000	245,000	245,000

Other Long-Term Liabilities

LFC has other long-term liabilities which include PFI contracts for fire stations (until 2040/41) and a finance lease for the Merton Control Centre (Until 2034/25). The current and forecast outstanding long-term liabilities are as follows:

Table 6: Other Long-Term Liabilities

As 31 March	2024	2025	2026	2027	2028	2033	2038	2043
	£m	£m	£m	£m	£m	£m	£m	£m
PFI	39.9	38.3	36.7	35.1	33.6	26.4	13.6	0.0
Operating Lease	18.4	18.4	18.3	17.3	16.2	9.4	0.0	0.0
Total	58.3	56.7	55.0	52.4	49.8	35.8	13.6	0.0

There are no plans for any future finance leases/PFI arrangements at the current time. The contract register is regularly reviewed to ensure that no finance leases have been entered into without the Finance Department's knowledge. This is also further managed by the Assistant Director - Finance reviewing all reports to LFC to include financial implications.

The above table does not take into account the effects of implementing the new accounting standard IFRS16, where all leases/contracts that conveys the right to use an asset will be brought onto the balance sheet and long-term liabilities will be created for the future rentals under these leases. The new accounting standard has been delayed but is still likely to come into effect from 1st April 2024. The Capital Strategy will be updated once the impact of the new accounting requirements has been assessed.

Risk

The Capital Programme is subject to the following risks.

- A lack of affordable sites for new developments.
- Increased cost in delivering the capital programme due to inflation pressures/Brexit/ limited number of suppliers that can provide specialist equipment/vehicles.
- The potential requirement to fund the replacement of National New Dimensions Assets which currently has not been factored in the capital requirements.
- Additional building costs required to support the deliver Zero Emission Pumping Appliances (ZEPA)
- Difficulty in obtaining planning consent for new developments and refurbishments.
- Third party collaboration and contractor capacity to deliver, as all capital projects will require varying collaboration with external parties over the project life.
- The risk that the planned capital disposals will not realise the projected capital receipts income or may not come to fruition thus resulting in additional borrowing costs.
- Additional revenue budget pressures resulting from increased revenue impact of borrowing.
- Interest rate increases for borrowing.
- Changes in government funding, policy and legislation.
- Availability and speed of developments in technology.
- Recruitment and retention of key skilled staff and significant staff resource to deliver the capital schemes.

The risks are being managed by as follows.

- Maximising, where possible, the redevelopment of existing sites through developers to reduce capital borrowing and to realise any potential capital receipts released through latent estate value.
- Investing in invest to save projects where the outcome of these projects will result in revenue savings to LFC.
- Ensuring the capital governance framework, including regular monitoring and review of the capital programme, is in place.
- Ensuring that all planning applications consider all relevant local/Mayoral planning and listed building requirements. Pre-discuss all planning applications prior to submission with the local planning officers to mitigate against planning refusals and completing public consultation in good time for those development projects that affect the public.
- Re-allocating key resources to development projects as required to meet the capital programme.
- Promoting collaboration with other emergency services and the GLA Group.
- Limit the risk of contract failure by effectively managing contracts and learning from past lessons in project delivery.
- The ability to flex the capital programme and re-phase capital expenditure so as not to result in additional external borrowing and the resulting increase in debt charges.

Appraisal - Governance and Monitoring

An important part of the governance arrangements is the frequent monitoring of the agreed capital programme. The capital programme is reviewed regularly with budget holders and reported on a quarterly to senior management. The capital monitoring is reported alongside revenue monitoring in the quarterly financial position report, which is reported to the Investment & Finance Board and Commissioner's Board. Quarterly monitoring reports are also presented to the Fire and Resilience Board and are published. The published reports are used to support scrutiny by the London Assembly's Fire, Resilience and Emergency Planning (FREP) and Budget and Performance Committees (BPC).

New, or changes to existing capital projects are dealt with as part of the capital monitoring process and budget holders are required to submit a request outlining the key scheme information, costs both capital and revenue and associated risks.

Where a new scheme or a budget change is required which is greater than £150k, a separate report is prepared, and additional governance arrangements are in place. The reports are considered by the Investment & Finance Board and Commissioner's Board, and the Deputy Mayor through the Fire and Resilience Board, as required, before final approval by the London Fire Commissioner.

The Capital Programme is approved by the London Fire Commissioner before submission to the Mayor as part of the annual budget submission.

When proposing capital projects for inclusion into the programme, the responsible department will undertake an assessment/evaluation as to how the project:

- Ensures LFC's capital assets are used to support the delivery of services according to the priorities within the London Safety Plan and Corporate Vision.
- Links to LFC's Asset Management Plan and other LFC Strategies/Plans.
- Is affordable, financially prudent and sustainable.
- Ensures the most cost effective use is made of the existing assets and new capital expenditure.

- Supports the Mayor of London in meeting the approved objectives and strategic plans.

The LFC has overall responsibility for the Capital Strategy, with support from senior management with the strategic development and monitoring of the capital programme through Commissioner's Board and Investment & Finance Board. The Capital Strategy will also be subject to consultation with the Deputy Mayor, and submission to the Mayor as part of the budget submission. Wherever appropriate to do so, and more specifically for the larger projects, project boards are established, which consist of a wide range of professional expertise. These boards meet regularly to assess and monitor the progress of the projects to ensure the delivery of the defined capital investment.

The Capital Strategy will continue to be refined and assessed against deliverability, affordability and risk in addition to ensuring this delivers the CRMP. Any further updates will be reflected in the final budget in March 2024.

Chief Finance Officer Sign Off

The Chief Finance Officer is to report explicitly on the deliverability, affordability and risk associated with the Capital Strategy. A report presenting the Strategy will be presented to the Commissioner's Board, and the Fire and Resilience Board, alongside reports for approval of the Budget and Treasury Management Strategy.

Appendix 7
Fire Productivity & Efficiency Submission



Productivity and Efficiency Plan

31 March 2024

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Appendix 1: LFC Efficiency Tables

Introduction

Background

Delivering productivity and efficiency Improvements is a key consideration in the London Fire Commissioner's (LFC) strategic planning as set out in the Community Risk Management Plan (CRMP). It is also an integral part of the process to deliver a balanced budget each year to invest in the capabilities needed to serve and protect London. This work also continues outside of those published plans and reports in order to ensure continuous improvement is delivered.

This plan sets out the context of the LFC's current financial position alongside what efficiencies have been identified so far and further plans, and sets out broader information on the underlying assumptions and areas of focus within the LFC that help frame the work to progress and identify further productivity and efficiency improvements.

Efficiency and Productivity Plan

Budget

The LFC agreed the budget for 2024/25 on the 28 March 2024. That budget set out a balanced position for 2024/25 of £495.1m.

Despite pressures in developing transformational change through the delivery of the CRMP and significant investment in Modern Firefighting and Training, the LFC has achieved a balanced budget primarily through a range of savings, efficiencies and increased income, supplemented by time-limited draws on reserves.

A summary of that budget position is set out below.

The table below sets out the proposed revenue budget for the next financial year (2024/25) and financial forecasts for a further two financial years.

	2024/25	2025/26	2026/27
	£m	£m	£m
Operational Staff	340.3	346.7	351.9
Other Staff	79.7	81.3	82.9
Staff Related	32.8	33.0	37.2
Firefighter Pension Scheme	20.8	20.8	20.8
Premises	48.2	48.8	49.4
Transport	19.6	19.6	19.6
Supplies and Services	37.1	39.1	41.6
Third Party	1.3	1.3	1.3
Financing	16.0	19.8	23.2
Income	(50.0)	(50.5)	(51.0)
Savings still to be achieved	0.0	(1.9)	(16.2)
Net Revenue Expenditure Total	545.8	558.0	560.7
Funding			
Reserves (excl. BFR)	18.5	12.2	0.0
Budget Flexibility Reserve	5.4	4.9	0.0
Total – Reserves	23.9	17.1	0.0
Specific Grants	26.8	26.8	26.8
Budget – Mayoral Funding	495.1	514.1	533.9

Whilst the work to identify significant cost reductions creates a balanced budget in 2024/25, it must be noted that in future years the budget includes structural challenges that must be met with further savings and/or increased income. The table above identifies budget gap of £1.9m in 2025/26 and £16.2m in 2026/27. £13.9m of the gap in 2026/27 is due to the substantial increase in investment in operational training/modern firefighting, which was funded by the LFC's use of the Fire Safety Improvement reserve in the first two years up to 2025/26; discussions will continue with central and local government about sustainable funding for this important capability. The Investment and Finance Board will continue to oversee work on delivering existing savings commitments and identifying further savings.

Further information on the LFC's Budget for 2024/25 can be found in the appendices.

Precept

As part of his Final Budget the Mayor of London allocates funding from retained business rates and council tax to the Greater London Assembly's (GLA) functional bodies, including the LFC. These are the funds which the Mayor has the ability to apply and reallocate across the GLA Group at his discretion, subject to the Assembly's consideration of the Mayor's council tax proposals.

The Mayor's final draft budget was approved without amendment by the GLA on 22 February 2023. As part of that budget the Mayor increased the fire element of his precept by £4.26 (Band

D) in 2024-25 – equivalent to the monetary impact of a 2.99 per cent increase on the 2022-23 non police precept – which is below the maximum 3 per cent allowed before a referendum is required under the draft council tax referendum principles for 2024-25 for equivalent fire and rescue authorities in England.

Efficiency

As part of the published Final Budget Report for 2024/25 the LFC set out total budget reductions of £18.9m including savings, efficiencies and further income. These savings are set out in the below table, with a detailed analysis in the appendix.

	2024/25
	£m
Departmental Savings Proposed	-3.7
Planned Operational Vacancy Margin	-7.0
Additional FRS Vacancy Margin	-1.0
Targeted Rolling Review of all business areas by the Investment and Finance Board	-2.7
Review of Earmarked Reserves	-4.5
Total Savings Identified	-18.9

We continue to strengthen our processes around business cases and portfolio management which improve our resource allocations and delivery of value for money. This has particularly occurred through cross-departmental initiatives between Finance and Transformation colleagues. The Investment and Finance Board is now supported with a Change Group that scrutinises business cases and new expenditure proposals prior to their submission to the Board. The Board also reviews existing expenditure through a rolling programme of 'deep dive' reviews.

We are also focusing on cost avoidance measures as well as cashable savings, e.g. Property/Technical Support Services have taken steps to limit cost increases in areas facing substantial inflationary pressures, notably energy (by reducing usage, generating renewable energy and fixing contract prices through collaborative purchasing arrangements).

Productivity

Community Risk Management Plan

In 2022 we worked with Londoners to create our Community Risk Management Plan (CRMP) called *Your London Fire Brigade*. It describes how we'll better engage, protect, learn from, and represent London's communities over the coming years. *Your London Fire Brigade* meets our requirement under the Fire and Rescue National Framework for England to produce an integrated risk management plan. One of the most important things this plan does is reflect our Assessment of Risk in London and what we will do to help reduce and respond to that risk.

The CRMP includes a set of Key Performance Indicators (KPIs) which will allow us, the public and stakeholders to understand our progress against the commitments in the CRMP. We have retained a number of the KPIs from the 2017 London Safety Plan. We have made some significant changes to how we measure performance. We have a new metric to measure community

satisfaction and we are developing a social impact measurement. Both of these are key to supporting our commitment to work with communities to improve services. We also introduce measures of quality as well as activity. And, we have a new set of KPIs looking at training, wellbeing and diversity of our staff.

This new set of KPIs will enable us to better understand and improve our productivity across a range of disciplines. The targets for 2023-24 have been published at: [lfc-23-036-lfb-crmp-targets-report-2023-24-ap0-covering-report-v2-frb.pdf](https://www.london-fire.gov.uk/media/7500/lfc-23-036-lfb-crmp-targets-report-2023-24-ap0-covering-report-v2-frb.pdf) (london-fire.gov.uk). Our targets for 2024/25 will be published in April 2024.

Overtime

The LFC experienced significant additional demand for overtime, in particular Pre-Arranged Overtime (PAO), undertaken by operational staff, in the 2022/23, financial year. To reduce this demand, a plan to reduce reliance on PAO was agreed by the LFC in March 2023 and published at the below link.

<https://www.london-fire.gov.uk/media/7500/lfc-23-025-plan-to-reduce-reliance-on-pre-arranged-overtime-and-associated-spend-part-1.pdf>

That plan includes the following actions to improve effectiveness and utilisation of our resources, supporting operational resilience and financial sustainability:

- Priority Crewing Guidance
- Training as a Watch
- Formalised operational demand forecasting and financial controls
- Increase the number of firefighters trained to drive fire appliances
- Reduce operational staff sickness
- Reduction of operational average vacancy margin

Of these initiatives, the most impactful has been the introduction of priority crewing guidance and a weekly meeting of officers to match resources to anticipated risk has resulted in a significant reduction in demand for overall overtime including PAO in 2023.

In 2022/23, we had an overspend on operational overtime of around £12.5 million (excluding National Insurance), the largest component of which was due to PAO. The Quarter 3 forecast for this financial year (2023/24) is an overspend of around £6.4 million, a reduction of £6.1 million. Further actions to reduce the residual overspend will include reviewing sickness absence and light duties, addressing skills and training gaps, and filling vacancies.

Home Fire Safety Visits

Our Home Fire Safety Visit (HFSV) strategy agreed last year incorporates a new triage and out of hours process, as well as new content and delivery training. This approach means that we can identify and respond to those most at risk, whilst still offering a service to those with lower risk factors. This includes the online home fire safety checker, which is part of the LFC's aim to make best use of resources whilst making services more accessible to Londoners. The new approach sees LFC triage HFSV referrals and identify vulnerable Londoners by utilising multiple platforms, highlighting the tool as a key resource for fire safety in the home guidance.

Automatic Fire Alarms (AFAs)

We are finalising our plans to implement a non-attendance policy to AFAs in commercial premises such as offices and shops during the hours of 07:00 – 20:30 hours, based on an analysis of risk. We plan to continue to attend AFAs in residential accommodation, premises where people will be sleeping and grade 1 and grade 2 listed buildings, as well as schools and nurseries. We expect this to lead to substantial reductions in unnecessary mobilisations each year, freeing up firefighters' time for more productive activities (as well as cutting travel costs and putting downward pressure on overtime and standby moves). We anticipate the delivery of productivity benefits and savings from Q3 or Q4 2024/25.

Sickness

Over the past year we have continued to see higher rates of absence. This is driven by a number of factors including musculoskeletal issues awaiting NHS treatment and higher than usual absences due to stress, anxiety and depression. Within our culture transformation programme we have a number of plans focussed on wellbeing for this year and for 2024/25 we are aiming to bring sickness back down to our average prior to the increase.

Educating Young People

Following a review of all youth activities, a new structure for youth work was introduced in line with the 2022/23 academic year, and was reviewed ready for the start of the 2023/24 academic year last September. This coincided with a full-scale review and evaluation of the Youth Services offer, to ensure that the youth schemes meet the needs of young people across London.

Charging

The LFC introduced a charging policy for repeated attendance to calls to persons shut in lifts. This resulted in a reduction of around 10,000 calls per year improving productivity.

Productivity Improvement

We are continually looking to improve productivity and efficiency and are considering the impact of adopting the productivity improvement target of 3 per cent for fire fighters agreed by the Home Office and the National Fire Chiefs' Council. LFC has faced a number of challenges in recent years and is currently prioritising training, skill maintenance and cultural awareness. Nevertheless, fire fighters now carry out targeted and specific visits to triage lower risk premises to enable Inspecting Officers to focus on higher risk premises and increases our reach into the business community. The Brigade has also introduced training as a watch which is focussed on more efficient release of staff and increasing capacity for training. This has enabled the roll out of additional training on new breathing apparatus and will support new acquisition training for the introduction of Positive Pressure Ventilation (PPV) this year. The roll out of Microsoft 365 to stations is anticipated to improve efficiency and officers are considering how that can be measured.

2024/25 will see the development of a Productivity strategy that will set out our ambitions to improve productivity.

How productivity is measured

The LFC has a long established electronic station 'diary' system that records the time invested in key activities undertaken by all watches at all stations (408 watches). The categories of data recording span:

- Incident response
- Training

- Community safety and engagement
- Operational readiness

As part of our Productivity Strategy development, we are considering what other steps are needed to capture and improve productivity, which will include the sector wide utilisation survey.

Tasks undertaken by operational firefighters, and outcomes targeted

Firefighters undertake a wide variety of tasks and these are captured in our station diary system. They include:

- attendance at incidents;
- core skills training and additional training in a number of categories to acquire and maintain operational and functional competence;
- community safety work and home fire safety visits to drive down risk in high risk communities and reduce the number of incidents;
- community engagement and events to increase trust and further understanding of our role and the services we offer, to hear from seldom heard communities so that we better understand how to work with them to reduce their risk;
- 72Ds, visual audits and hydrant inspections to both identify risk reduction opportunities and also inform their operational readiness and site-specific tactics.

The following additional tasks are being introduced at stations to improve efficiency further:

- Introduction of mandatory annual fitness testing;
- Introduction of level one assurance activity;
- Introduction of Station Delivery Plans, and increased community engagement.

Assumptions and Supporting Information

Collaboration

How collaboration is measured

The Procurement route is monitored in our contract register and Procurement strategy form. We seek collaboration routes for all Procurements. We collaborate with GLA partners, National Fire Chief's Council (NFCC) partners, Crown Commercial services (CCS) and a range of other framework providers. We also collaborate with wider partners for example via membership of the London Anchor Institutions Network which includes public, private and third sector organisations.

Regular and productive procurement activity, collaboration and value are generated through sharing joint pipelines and targeting opportunities with the procurement hub, which is used where there is tangible value and benefit to be gained.

Collaboration with other organisations

Shared premises

The LFC shares its Headquarters space in Union Street with a range of other organisations, notably including the GLA, the Local Pension Fund Authority (LPFA) and the Mayor's Office for Policing and Crime (MOPAC). We continue to investigate site sharing opportunities with the London Ambulance Service and Metropolitan Police Service.

We have also extensively explored opportunities to merge the estate with other emergency services. Most recently with the One Public Estate programme. We remain open to these opportunities, but so far have been unable to identify a project that is a strategic fit across the respective organisations.

Control rooms

The LFC received funding in 2018 for a Collaborative Contact and Response (CCR) programme with the LAS and the Met. This was a high-level scoping initiative and it identified five programmes as part of the high level design.

Two of these were to reduce frequent callers and demand placed on services by people with mental ill-health whose needs were better met by other service providers and were not relevant for LFCB. This may need to be reconsidered as there is an increasing trend in calls received from people in distress.

Control room estate

This explored the sharing of premises, focussing on the need for additional capacity for LAS control. However, LAS needed more space than we could provide, and the costs of the building work needed to use what space was available at LFC's London Operations Centre (LOC) made the idea unfeasible. To optimise the capacity at the LOC, the Brigade's Incident Command training team has relocated there. This allows incident commanders to gain vital exposure to Control rooms when training and exercises are now supported by Control staff which provides them with an insight into decision-making on the incident ground. A command unit is also based at the LOC and command unit staff will begin to attend the LOC to train with Control staff on a regular basis.

Tri-service communication

This work related to the installation of the Multi Agency Incident Transfer (MAIT) system which will automate the sharing of information between the three emergency service control rooms in real time. The LFB is committed to establishing a data solution between the three emergency service Control rooms and implementing the MAIT solution where LFB will connect to a hub delivered by the MPS. Connectivity to other fire control rooms is also underway to enable incident sharing with 'buddy' control rooms and other control rooms during extreme call demand.

Emergency Services Co-ordination Centre

This was set up in 2019 but a review of benefits led to it being closed down in 2022 by the Metropolitan Police, who were the lead agency. Currently there are no plans to re-establish this function, as the objectives can be met through other arrangements. The Brigade continues to work with London Emergency Service Control rooms and has delivered a range of resilient agreements to support major incidents, enhanced information sharing, testing and exercising as well as planning for local and national outages such as the BT 999 failure.

The Control team has improved recruitment over the last two years to broaden our staff group to ensure it better reflects the communities we serve. We have worked with our local council to embed ourselves in their recruitment schemes, redesigned our application process to test for skills to ensure they align to control officer role and introduced development pathways for control room officers to progress their career with LFB Control. Results have seen our employment of underrepresented groups rise to 18% of all control staff.

The Control team has actively been using data to support the efficient running of the control room. A data dashboard was launched last year which provides an overview to managers of

current call volume and target call answering statistics. This information allows managers to balance Control room staff between the control room providing staff periods for training within every working day ensuring our staff are suitably and sufficiently trained.

The Control team has also improved the way it manages change with the introduction of initiatives such as a monthly newsletter and the introduction of a Change governance board which considers the impact of all changes and ensures early engagement and clearer communications with staff.

Treasury Management

The LFC also has shared service arrangements for the delivery of its Treasury Management Function by the GLA, and its internal audit function by MOPAC. The LFC is also part of the GLA Group to deliver Collaboration which includes a cross functional body agency staffing contract.

Transformation Plans

How transformation is measured

The LFC's corporate performance measures have been designed to demonstrate the effectiveness of its transformation activity. These measures include its response attendance times; incidence of fires, deaths and injuries; community satisfaction; different aspects of prevention and protection activity; and training, safety, composition and well-being of staff. Delivery of its transformation portfolio and effectiveness of its risk management measures is monitored monthly.

Transformation projects and programmes

The LFC's latest Community Risk Management Plan demonstrates its commitment to reduction of risk in the community and also serves as its corporate strategy, setting out its strategic ambition over the next seven years. It sets out eight commitments, each of which is translated into a programme of change. There are detailed plans which underpin that strategy in four phases. The high-level transformation plans are attached.

As with previous plans, the Community Risk Management Plan (CRMP) is not fully costed in advance, partly due to the uncertainty of future funding settlements, so it is not possible to estimate the total cost savings that could result from the delivery of the overall Plan. However, full business cases are now required before a project can proceed which includes the identification of potential cost savings. These business cases will be developed in line with the four phases of delivery of the CRMP. As each phase begins, it should be possible to determine the costs and cost savings that will arise from the commitments in that phase. As most of the projects in phase one of the CRMP were carried forward from the previous London Safety Plan, the costs and savings have already been included within existing budgets. The budget process for the 2024/25 financial year introduced a requirement for each programme to submit budget bids to inform the creation of programme budgets to support delivery of the CRMP.

The primary goals of the CRMP are to be community-focussed and service-led; with the expectation that efficiencies will be found wherever possible, as each initiative is developed. The fourth pillar Adding Value sets out the Brigade's intention to improve workforce productivity and drive efficiencies that support value for money services, enabling re-investment into front-line delivery.

Any financial pressures identified for subsequent phases will need to be considered as part of London Fire Brigade's budget process for future years. The efficiencies review that identified

savings to balance the 2023/24 budget deficit would be repeated or adapted in future years if additional savings are required.

Charging policies

The LFC's powers to charge are limited to cost recovery. The LFC's Budget Report for 2024/25 set out the rate used for special service charges, which also covers charging for Shut in Lifts and Automatic Fire Alarm Call Outs. The Special Service charge is currently set at £364 for the 2023/24 financial year and will increase in line with a review of fees and charges for 2024/25.

The LFC introduced a charging policy for repeated attendance to calls to persons shut in lifts. This resulted in a reduction of around 10,000 calls per year. The LFC has suspended this policy as we believe that the remaining calls usually include life risk and charging could deter calls that we would want to attend. The LFC would consider reintroduction of cost recovery in these circumstances if calls increased significantly. The LFC introduced cost recovery for repeated attendance at calls to automated fire alarms, but the statutory limitations on the circumstances in which charges could be raised made this uneconomic.

The LFC is also working to increase Income Generation for 2024/25 onwards, including extending the water team function to offer a hydrant inspection service to private landlords and third party accident cost recovery. The LFC also generates income under the MFB Act which will continue to be reviewed in light of inflationary impacts.

Asset Management and Investment in Technology

Equipment and appliance checks and inventories

Equipment inventories are carried out at change of watch each day and are recorded on the electronic inventory system. This system is being upgraded to use appliance tablets so it can be completed more effectively and efficiently.

Record defects

Driver checks are carried out at change of watch and all defects are reported directly to the maintenance contract provider. The defects are prioritised into those that require immediate attention as the vehicle cannot be driven; those that are non-critical and can be repaired within five days of reporting and those which are minor and repairs can be deferred until the next planned maintenance event.

There is a separate process for reporting defects in operational equipment, which uses our purchase ordering system. If the equipment item is critical to operational delivery it will be reported by telephone to the contract supplier as a Category A item and will receive a response within 2 to 4 hours.

The LFC has also agreed the procurement of a new equipment management system. This system will enable the Brigade to manage its operational equipment more effectively and efficiently. This will result in the mitigation of significant health and safety risks, more efficient maintenance processes and the replacement of redundant existing systems. It is anticipated that the new system could enable a reduction in the equipment budget, logistics costs and vehicle mileage.

New technology to be utilised by the service and where old systems have been replaced

From an efficiencies perspective the LFC has extended the use of appliance-based devices for data capture on site for risk assessment and recording, an inventory application and a system for

recording Home Fire safety checks. The LFC has in place a Fire Survival guidance application providing real time data at incidents. and provided access to data captured from the recently deployed High rise data portal. The LFC has also made available to staff, on their personal devices a shift booking system, which has significantly reduced the administrative burden of this process.

There are a number of initiatives in development, including recording hydrant inspections and an inflight project to improve the way we use data for workforce planning.

The Brigade is also working to modernise a range of its tools to improve productivity of staff time, which include wider roll out of Office 365, a new HR & Payroll system, and a new Finance System.

Investment in new appliances, fleet and support vehicles

Following extensive public consultation LFC published the Community Risk Management Plan (CRMP) in 2022 which confirms the LFC commitment to reducing impact on the environment and stated the target of aiming to reach net zero carbon by 2030.

Current investment in new technology on new appliances involves the introduction of electric or hybrid propulsion systems. As part of its published budget submission to the Mayor in November 2022 the LFC set out funded and unfunded work areas to meet that ambitious timetable to decarbonise the estate and fleet.

The LFC also has a net carbon zero 2030 strategy which will require continued investment.

Resourcing

How is Resourcing measured

At the corporate level there are several performance measures which measure value from resources. These include: time spent on prevention activity, time spent on protection activity, percentage of high risk home fire safety visits, attendance standards, incidence of fire, injuries and deaths.

Retained duty system

The LFC has explored the benefits of introducing retained duty system. The LFC considers this not to be a cost effective nor efficient approach to resourcing within London.

Changing the length of day and night shifts.

In December 2010 the LFC and Fire Brigades Union (FBU) agreed on a new shift pattern for front-line firefighters of two 10½-hour day shifts then two 13½-hour night shifts followed by four days off.

A London Fire Brigade report published in March 2012 stated that the shift changes have improved safety in the city. Compared with the 12 months prior to the shift changes, the 12 months following them saw firefighters able to spend more time on training, community safety work, and home safety visits (including the free fitting of smoke alarms). Consideration of any future changes would be discussed with the FBU.

Procurement

How procurement is measured

Contracts, Procurement activity and commercial change process are measured in terms of budgets. These are then monitored against the expected objectives, targets and budget

outcomes by the relevant budget holders. We are in the process of moving to a more sophisticated benefits outcomes model which has been developed by TfL. This is included within one of the workstreams as a project for the procurement team being developed as part of our current transformation project.

In terms of outcomes, these are measured by monitoring the contracts, and liaising with the client department. For key strategic contracts, each aspect of the contract is reported in our Procurement monthly reports by our category managers and key procurements are part of corporate projects. A wider review and refresh of our reporting dashboards is being developed within the procurement improvement project that commenced in September 2023.

Collaboration with partners/use of national frameworks delivering regional contracts in areas such as PPE, uniforms and specialist vehicles

We review the potential to collaborate with all procurements. We contribute to the GLA Procurement collaboration remit through inclusion on the GLA Procurement Board and related working groups. We are currently collaborating with GLA contracts such as temporary labour and recruitment. There are also some core areas which are an agreed focus for collaboration such as Printing, Consultancy, Travel and office equipment. We have a role in NFCC boards and projects, and our structural Firefighting PPE is provided through a national NFCC framework which we directly supported the procurement process on. We will continue to directly support the next iteration of this contract through the national project by input into the specification and tender documentation. We also use a further range of frameworks provided by other organisations such as the Crown Commercial Service (CCS). We do not use specialist vehicles frameworks as our equipment and vehicles procurement is provided as an outsourced managed service through our consolidated V&E contract.

Outline what cost savings have or will be made as a result of these methods

Each project is monitored individually either by the project teams and the client departments that hold the budget. As part of the current department procurement improvement and transformation project, we are planning to further review and enhance our processes with the plan to align with the GLA/TfL benefit realisation process which has is continually developing. The move to a new Finance and Purchasing system will complement this process through further digitisation and support in its success.

Each Procurement has an estimated cost monitored against an actual cost and targets. This detail is recorded by our category teams in our contracts register and set out in the relevant procurement award reports.

Local Initiatives

The Brigade has a long-standing history of delivering child and youth engagement, intervention, and education schemes which contribute to making London a safer city by working with its young people across all aspects of prevention including fire, water and road safety, alongside anti-social behaviour and the consequences of actions, to drive and forge safer, stronger, healthier and cohesive communities.

The schemes are aimed mainly at primary and secondary school age children and young people, but can cover a broad cross-section of youth, including into early years with visits to nurseries and children's centres. All youth programmes delivered by the Brigade are attended by a wide range of participants and provide the opportunity to increase awareness of the Brigade amongst diverse communities.

The Brigade's children and youth programmes include a central core offer of the Education Team delivering safety education into primary schools; a blue-light collaboration project 'Safety First' delivering safety education into secondary schools; Fire Cadets offering long term engagement to young people living or attending schools in all London boroughs; Fire Setting Intervention Scheme (FIS) delivering one-to-one fire safety education where concerns have been raised around fire setting and fire play behaviour and youth projects supporting local boroughs to devise and deliver bespoke projects to for specific needs.

Following a review of all youth activities, a new structure for youth work was introduced in line with the 2022/23 academic year, which was then reviewed, evaluated and embedded at the start of the 2023/24 academic year in September, to ensure that the youth schemes on offer meet the needs of young people across London.

In support of the CRMP, the Brigade has introduced Borough Risk Management Plans. These are co-produced with the local community and include detailed actions to be taken locally by the Borough Commander and their team to address the particular risks within individual boroughs and protect people and places vulnerable to each type of risk. These plans have been in place since April 2023 and will be refreshed annually. Station plans with more detail about the activities of station-based staff are being produced by stations this year.

Fire Cadets

The development of LFC Fire Cadets from a four-borough pilot in 2013 to every London

Borough in 2020 has been a big success. Fire Cadets was funded by securing external funding, fixed term contracts, and utilising underspends to deliver its objectives.

In March 2019, LFC secured £1.1million funding from the Mayor and GLA to open up Fire Cadets unit in all remaining 15 London Boroughs so that from April 2020 all London Boroughs would have a Fire Cadets unit.

Each Fire Cadets evening requires a minimum attendance of 4 adults for 4 hours. One adult is covered by a salaried FRSC Fire Cadets Coordinator, leaving a requirement of an additional 3 adults to cover minimum safeguarding numbers. Had LFC hired FRSB members of staff to cover this requirement, it would result in 324 hours per week at a rate of £26 per hour (based on 2021/22 pay rates). For 27 units delivering across 30 weeks of the year, this would equate to £252,817 per annum for unit delivery only.

On average volunteers also support staff at community events 10 times per year for 5 hours per event, per Fire Cadets unit (270 events per annum). If LFC sent FRSB staff to cover this commitment, we would on average require 3 people, resulting in 4050 hours at a rate of £26 per hour. This would equate to £105,341 to staff all community events across the year.

Therefore, by utilising volunteers, we have saved the Brigade approximately £358,158 per annum, covering unit based delivery and community events across the city.

4 Conclusion

The Brigade continues to work on improving productivity and efficiency. This year will see the production of a Productivity Strategy which will bring together the different strands of work in this area.

The Brigade is meeting the efficiency and productivity targets set in agreement with the National Fire Chiefs' Council and the Home Office and the actions in this plan are intended to enable the Brigade to continue to meet those targets as a minimum in the years to come.

Confidential

The efficiency table below was provided by the Home Office as an annex to the requirements set out as part of the Productivity and Efficiency Plan for 2024-25.

It is important to note that the financial year to which the efficiencies relate to are assumed as an ongoing efficiency, unless otherwise re-stated in a future year.

Due to the on-going commitment of the Brigade to find efficiency savings to fund further investment, it can be seen from the table below that efficiency savings as a percentage of non-payroll budget are 6.09 per cent in 2022-23, 8.64 per cent in 2023-24 and 6.10 per cent in 2024-25.

	Actual 2022-23	Forecast 2023-24	Forecast 2024-25	CSR
Opening Revenue Expenditure Budget (Net)	421,800	445,800	495,100	
Less Total Direct Employee Costs	351,200	375,200	418,000	
Non Pay Budget	70,600	70,600	77,100	
Efficiency Target (2% of non-pay budget)	1,412	1,412	1,542	
Efficiency Savings				
Direct Employee				
Reduction in Prevention/Protection/Response Staff				
Reduction in Support Staff		-2,000		
Indirect Employee (e.g. training, travel etc.)				
All Indirect Employee Costs				
Premises				
Utilities				
Rent/Rates				
Other Premises Costs				
Shared Premises				
Transport				
Fleet				
Fuel				
Other Transport Costs				
Supplies and Services				
National Procurement Savings				
Local Procurement Savings		-1,800	-900	
Other Technology Improvements				
Decreased Usage				
Capital Financing				
Revenue Expenditure Charged to Capital				
Net Borrowing Costs				
Other				
Departmental Savings (Cross cutting)	-4,300	-2,300	-3,800	
Earmarked Reserves Review				
Other Savings 3 (Please Specify)				
Please specify the other savings and any other comments:				
Reduction in staffing already built into base, so further "one-off" continuation discounted.				
24/25 - £2.7m earmarked as rolling/efficiency reviews, but not yet allocated - "Local Procurement Savings".				
Total Efficiency Savings	-4,300	-6,100	-4,700	
Efficiency Savings as a Percentage of Non-Payroll B	6.09%	8.64%	6.10%	6.94%
Efficiency Savings Target	2.00%	2.00%	2.00%	2.00%
Over/(Under)	4.09%	6.64%	4.10%	4.94%

