

# THAMES VALLEY FIRE CONTROL SERVICE



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| <b>SUBJECT</b>            | <b>TVFCS BUDGET 2021/22</b>                                  |
| <b>PRESENTED TO:</b>      | <b>JOINT COMMITTEE</b>                                       |
| <b>DATE OF MEETING</b>    | <b>14 DECEMBER 2020</b>                                      |
| <b>LEAD OFFICER</b>       | <b>CONOR BYRNE, HEAD OF FINANCE &amp; PROCUREMENT, RBFRS</b> |
| <b>EXEMPT INFORMATION</b> | <b>NONE</b>  |
| <b>ACTION</b>             | <b>AGREE</b>   |

## 1. **EXECUTIVE SUMMARY**

1.1 To provide Joint Committee with the proposed budget for Thames Valley Fire Control Service (TVFCS) for the 2021/22 financial year.

## 2. **RECOMMENDATION**

2.1 **Agree** the proposed TVFCS revenue budget for 2021/22 as detailed in **Appendix A**.

2.2 **Agree** a contingency budget allocation of £150,000 which would provide an upper limit of expenditure without further Authority approval.

2.3 **Agree** to delegate authority to the three CFOs (unanimous decision required) for any unplanned expenditure between £10,000 and £150,000.

2.4 **Agree** to set aside £150,000 (£50,000 from each partner) in 2021/22 towards capital replacement costs.

2.5 **Recommend** to their respective Authorities the TVFCS budget for the financial year 2021/22 and the individual Authority contributions to this budget.

### 3. **REPORT**

- 3.1 The proposed TVFCS Revenue Budget for 2021/22 is detailed in **Appendix A** and shows a total budget of £2,410,447 which is an increase of 2.35%.
- 3.2 Based on the Government's announcement of a public sector pay freeze, no general pay award has been built into the 2021/22 Budget. Nevertheless, employment costs have been budgeted to rise by 2.1% during the 2021/22 financial year based on the fact that a number of staff are forecast to move from the development pay rate onto the fully competent rate for their role. For the Firefighter (Control) role the pay increase is 28% on achieving competence. The pay increases associated with achieving role competence are lower for Supervisory and Middle Management roles but still have an impact on the overall cost of staff.
- 3.3 Recharges are set each year for TVFCS to cover corporate costs. The scale of the recharges has been amended within the proposals to reflect the expected cost to provide the corporate functions in 2021/22.
- 3.4 The recharge in relation to HR and Learning and Development is increasing by 10.96% to reflect the costs of providing Benenden health cover to staff as well as additional support around EDI and training.
- 3.5 The recharge for Liability Insurance has increased by £3,825. RBFA has recently renewed its insurance arrangements with the liability element increasing by £51,000 due to recent events and the hardening of the market.
- 3.6 It is expected that activity associated with IT hardware and software refresh, as well as adding capabilities and functionality to the installed Vision environment, will lead to increased resourcing requirements in future years from RBFRS ICT on a project support basis. The annual recharge is based on steady state support modelling and so it is likely that RBFRS ICT recharges will increase commensurately with forecast resourcing requirement in subsequent years. When a steady state support environment is reached, the recharge will, of course be modified to reflect actual resource commitments. Resourcing requirements will be forecast based on TVFCS forward looking planning assumptions in full consultation with, and with the agreement of TVFCS management.
- 3.7 Unicorn network costs have risen by 7.75% as a result of BT identifying a historic issue where they have not been billing TVFCS for the network connection between Calcot and Stocklake. No payments are being sought from BT in respect of previous years, but the correct cost for this network link will be billed going forward.
- 3.8 The Medium Term Financial Plan (MTFP) has been produced and included as **Appendix B**. This reflects potential budget pressures or cost reductions in the medium term, staff development expectations and future year salary awards which from 2022/23 have been shown as 1% per annum. All other lines have been inflated at a rate of 2% per annum, which reflects the UK Governments target inflation rate. It is hoped that as we move into 2021/22, the longer-term funding position for the fire sector will become clearer which

in turn will allow more detailed work to be undertaken on the MTFP to ensure alignment with the funding envelope.

- 3.9 It is proposed in paragraph 2.4 that each partner continues to set aside £50,000 each financial year towards capital replacement costs. The fund currently has in excess of £1.75m, including the contributions made by partners in 2020/21. Plans for a mini hardware refresh during 2021/22 are progressing with a Members' workshop scheduled for March 2021. Costs and detailed specifications are currently being worked on but estimates to date suggest a cost of around £350,000. Looking further ahead, once there is more clarity on ESN, it will be necessary to commission a piece of work in preparation for a tender for a complete system refresh.
- 3.10 The budget papers presented have been produced and developed in collaboration with the lead contact for each respective partner.

#### **4. COMPLIANCE WITH THE TVFCS PARTNERSHIP AGREEMENT**

- 4.1 This report complies with the TVFCS Steady State Legal Agreement.

#### **5. FINANCIAL IMPLICATIONS**

- 5.1 With employment costs accounting for just over 75% of the total proposed budget, financial performance and budget requirements are largely controlled by factors not directly determined locally; pay awards, national insurance costs and LGPS pension contributions.

#### **6. LEGAL IMPLICATIONS**

- 6.1 In accordance with Schedule 7, clause 12.1 of the legal agreement, any underspend will be reimbursed to partners in accordance with the cost apportionment model.
- 6.2 The 2021/22 budget complies with statutory regulations.

#### **7. EQUALITY AND DIVERSITY IMPLICATIONS**

- 7.1 There are no equality and diversity implications arising from this report.

#### **8. RISK IMPLICATIONS**

- 8.1 Other than the issues identified above, there are no additional risk implications arising from this report.

**9. CONTRIBUTION TO SERVICE AIMS**

- 9.1 The Committee provides oversight on behalf of the three Authorities of the performance of TVFCS fulfilling their statutory duty to make arrangements for dealing with calls for help and summoning personnel (Fire and Rescue Services Act 2004).

**10. PRINCIPAL CONSULTATION**

- 10.1 Simon Harris, TVFCS Group Manager
- 10.2 Joint Co-ordination Group, 16 November 2020
- 10.3 Senior Leadership Team, Royal Berkshire FRS, 24 November 2020
- 10.4 Lead Finance contacts at each respective partner

**11. BACKGROUND PAPERS**

- 11.1 Minutes of the TVFCS Joint Committee meeting 9 December 2019

**12. APPENDICES**

- 12.1 Appendix A: TVFCS Revenue Budget 2021/22
- 12.2 Appendix B: TVFCS Medium Term Financial Plan 2021/22 – 2023/24

**13. CONTACT DETAILS**

- 13.1 Ryan Maslen, Deputy Head of Finance and Procurement, RBFRS