

THAMES VALLEY FIRE CONTROL SERVICE



SUBJECT	TVFCS BUDGET 2024/25
PRESENTED TO:	JOINT COMMITTEE
DATE OF MEETING	14 DECEMBER 2023
LEAD OFFICER	CONOR BYRNE, HEAD OF FINANCE & PROCUREMENT, RBFRS
EXEMPT INFORMATION	NONE
ACTION	AGREE

1. **EXECUTIVE SUMMARY**

1.1 To provide Joint Committee with the proposed revenue and capital budgets for Thames Valley Fire Control Service (TVFCS) for the 2024/25 financial year.

2. **RECOMMENDATION**

2.1 **Agree** the proposed TVFCS revenue budget for 2024/25 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 2024/25 towards capital replacement costs.

2.5 **Agree** the Capital Expenditure Programme for 2024/25 (**Appendix C**)

- 2.6 **Agree** to recommend to partnership Authorities a variation of the maintenance and support contract, including the ICCS hardware refresh, between Royal Berkshire Fire Authority and SSS Public Safety Ltd in line with the latest estimated value of the new contract value of £1,240,977 (subject to annual inflationary uplifts).
- 2.7 **Agree** to recommend to partnership Authorities that the contract between Royal Berkshire Fire Authority and Securitas Security Services (UK) Ltd for contingency call handling services be extended for one year from 30th April 2024 to 30th April 2025, being the final extension option of the current contract.
- 2.8 **Note** the Medium Term Financial Plan (**Appendix B**) and Renewals Long Term Forecast (**Appendix D**).
- 2.9 **Recommend** to their respective Authorities the TVFCS revenue and capital budgets for the financial year 2024/25 and the individual Authority contributions to these budgets.

3. REPORT

- 3.1 The proposed TVFCS Revenue Budget for 2024/25 is detailed in **Appendix A** and shows a total budget of £2,874,023, which is an increase of £234,717 or 8.9%.
- 3.2 The main factor for the increase in the budget requirement for 2024/25 relates to the level of pay awards agreed for the current year and last year as well as the estimate for next year. The current year's budget is based on a pay award of 4% whereas the actual pay award agreed is 5%. Similarly, we made provision of 5% for the 2022 pay award but this turned out to be 7%. For 2024/25, we are budgeting for a 5% pay award. There has also been an increase in employer contributions to Local Government Pension Fund.
- 3.3 The staffing budget allocation for 2024/25 is based on one more post than 2023/24, when an additional post was included in-year to provide additional resilience and capacity to reflect Maternity cover. For 2024/25, budgeting for the additional post has been deemed necessary.
- 3.4 Recharges are set each year for TVFCS to cover corporate costs. The level of recharges has been reviewed and updated to reflect the cost to provide the corporate functions in 2024/25.
- 3.5 ICT Recharge – The above inflation increases in software include the costs of individual users' devices/licences, which have been consolidated under MS365 licensing. Additional staffing recharge costs have been identified following a review by the new Head of Business and Information Systems of support provided to TVFCS. The TVFCS element of this charge has increased by 14%, to £116,000 for 2024/25.
- 3.6 Facilities recharge – The main driver for the increase in the Facilities recharge has been the lag in gas and electricity price increases. Much of the gas and electricity was advanced purchased at lower costs and the uplift is based on

latest price information from the supplier. The TVFCS element of this charge has increased by 7.8% or £11,000.

- 3.7 HR recharges have increased due to a restructure of L&D to enhance training capacity and capability.
- 3.8 The recharges in other areas are largely driven by staffing support provided by each function to TVFCS, they have also been increased to reflect the pay award agreed for green book staff in 2023/24, and the estimated award of 4% for 2024/25. The secondary control recharge from Oxfordshire FRS has increased by £4,636.
- 3.9 The contract for contingency call handling was for two years with two extensions each of one year. Services intend to take the final extension from April 2024 – April 2025 at a cost of £6,390. All three partners will be reviewing the approach to this contract as part of a wider review of business continuity arrangements for industrial action. (See Recommendation 2.7)
- 3.10 Technology costs have increased in total by 4%. Each respective contract has its own inflation mechanisms, mainly linked to built-in CPI uplifts. Contracts such as DS3000 also have built in framework fees when they are extended. Costs are being closely monitored and increases minimised wherever possible but are largely outside of direct control.
- 3.11 The Medium-Term Financial Plan (MTFP) has been produced and included in **Appendix B**. This reflects potential budget pressures or cost reductions in the medium term and future year salary awards, which for 2025/26 have been included at 3% and for 2026/27 at 2%.
- 3.12 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 stood at £1.91m at 31 March 2023. Currently it is anticipated that the annual partner contribution of £50,000 into the Renewals Fund will continue until 2030.
- 3.13 The proposed capital expenditure programme for 2024/25 is detailed in **Appendix C**. The expenditure identified totals £665,000, including project management and contingency, which will be paid for from the TVFCS Renewals Account. The longer-term forecast of payments into and out of the Renewals Fund, as shown in **Appendix D**, assumes the commencement of system replacement in 2027, for completion by 2030.
- 3.14 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 73% of the total proposed budget, financial performance and budget requirements are largely controlled by factors not directly determined locally such as pay awards 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 2024/25 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
- 10.3 Senior Leadership Team, Royal Berkshire FRS
- 10.4 Lead Finance contacts at each respective partner

11. BACKGROUND PAPERS

- 11.1 None

12. APPENDICES

- 12.1 Appendix A: TVFCS Revenue Budget 2024/25
- 12.2 Appendix B: TVFCS Medium Term Financial Plan 2024/25 – 2026/27
- 12.3 Appendix C: Capital Expenditure Programme 2024/25
- 12.4 Appendix D: Renewals Account Long Term Forecast

13. CONTACT DETAILS

13.1 Conor Byrne, Head of Finance and Procurement, RBFRS