

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

Appendix A			
TVFCS Budget			
	2023/24	2024/25	Movement
	£	£	£
Staff			
Employment Costs	1,915,360	2,099,936	184,576
Mileage and Subsistence	5,572	5,850	278
Training	1,000	1,000	0
Recruitment	1,400	1,000	-400
Sub Total	1,923,332	2,107,786	184,454
Corporate			
Facilities	138,147	148,960	10,813
Finance & Procurement	25,336	26,595	1,259
HR and Learning and Development	95,070	102,074	7,004

ICT	101,734	116,141	14,407
Liability Insurance	11,880	12,964	1,084
Management	21,562	22,546	984
Sub Total	393,729	429,280	35,551
Other			
Equipment purchases & Maintenance	4,800	4,600	-200
OFRS Costs (Includes Secondary Control Airwave Rental)	48,634	53,270	4,636
Contingency call handling provision	6,210	6,390	180
Sub Total	59,644	64,260	4,616
Technology			
Capita Mobs System (maint)	83,506	83,506	0
DS3000 (for primary and secondary) ICCS	101,775	106,668	4,893
Charges for Unicorn network and telephony rental	46,454	46,454	0
Software Maintenance	834	901	67
EISEC Calcot (999 caller location)	9,000	9,000	0
Smart services to switch 999 lines to secondary control / elsewhere	17,000	17,000	0
Airwave rental (SAN I ,B) (Primary Only)	16,317	22,889	6,572

Sub Total	274,886	286,418	11,532
Total Budgeted Expenditure	2,651,591	2,887,744	236,153
Income			
Alarm Receiving Centre Income	-12,285	-13,721	-1,436
Total Budgeted Income	-12,285	-13,721	-1,436
Total Budget	2,639,306	2,874,023	234,717

Contingency	150,000	150,000
Upper limit of TVFCS expenditure without further FA approval	2,789,306	3,024,023

Authority:	2023/24	2024/25	Difference
RBFRS (37.0%)	976,544	1,063,389	86,845
OXFRS (28.2%)	744,284	810,474	66,190
BFRS (34.8%)	918,478	1,000,160	81,682
TOTAL	2,639,306	2,874,023	234,717

Appendix B

TVFCS Medium Term Financial Plan 2024/25 to 2026/27

	2024/25	2025/26	2026/27
	£	£	£
Staff			
Employment Costs	2,099,936	2,162,934	2,206,193
Mileage and Subsistence	5,850	6,026	6,146
Training	1,000	1,030	1,051
Recruitment	1,000	1,030	1,051
Sub Total	2,107,786	2,171,020	2,214,441
Corporate			
Facilities	148,960	153,429	156,497
Finance & Procurement	26,595	27,393	27,941
HR and Learning and Development	102,074	105,136	107,239
ICT	116,141	119,625	122,018
Liability Insurance	12,964	13,353	13,620

Management	22,546	23,222	23,687
Sub Total	429,280	442,158	451,002
Other			
Equipment purchases & Maintenance	4,600	4,738	4,833
OFRS Costs (Includes Secondary Control Airwave Rental)	53,270	54,868	55,965
Contingency call handling provision	6,390	6,582	6,713
Sub Total	64,260	66,188	67,511
Technology			
Capita Mobs System (maint)	83,506	83,506	83,506
DS3000 (for primary and secondary) ICCS	106,668	109,868	112,065
Charges for Unicorn network and telephony rental	46,454	47,848	48,805
Software Maintenance	901	928	947
EISEC Calcot (999 caller location)	9,000	9,000	9,000
Smart services to switch 999 lines elsewhere	17,000	17,000	17,000
Airwave rental (SAN I ,B) (Primary,secondary) (7+8)	22,889	23,576	24,047
Sub Total	286,418	291,726	295,370

Total Budgeted Expenditure	2,887,74 4	2,971,09 2	3,028,32 4
Income			
Alarm Receiving Contract Centre	-13,721	-14,133	-14,415
Total Budgeted Income	-13,721	-14,133	-14,415
Total Budget	2,874,02 3	2,956,95 9	3,013,90 9
Contingency	150,000	150,000	150,000
Upper limit of TVFCS expenditure	3,024,02 3	3,106,95 9	3,163,90 9

Appendix C

Thames Valley Capital Expenditure Programme 2024/25

Proposed Annual Capex Programme - 2024/25	
Item	£
Annual Profiled Capex:	
ICCS hardware and installation (SSS Public Safety Ltd)	550,000
Project management and FRS delivery	60,000
Contingency	55,000
Total	665,000

There is one area of identified spend required from the renewals account in 2024/25.

In [July 2022](#), members agreed to a five-year maintenance and support contract for the DS3000 Integrated Command and Control System (ICCS). Included in the contract is provision for a technical refresh of all ICCS associated hardware. This provision had been identified in the Renewals Account Long-Term Forecast agreed in both the [2022/23 budget](#) and [2023/24 budget](#) papers and was originally earmarked for the 2025/26 financial year with an indicative figure of £300,000.

Following contract award and a review of the ICCS hardware, to enable services to gain the most benefit both operationally and financially, it would be prudent to accelerate the ICCS technical refresh to 2024/25. This decision minimises the impact of ever-increasing hardware costs, replaces equipment that has already reached the end of its service life and ensures value for money for use of the new equipment over the remaining life of the contract (up to 2030).

The cost of the refresh reflects the updated contract quote (and per the contract terms) provided by SSS Public Safety Ltd. A quote of £539,280 was provided to TVFCS in November to inform the budget setting process. Given that delivery and installation will be in 2024/25, an uplift of 2% for inflation has been added, resulting in an expected cost of £550,000. The additional cost will require a contract variation and as per Clause 17 of the TVFCS Inter Authority Agreement, members are being asked to agree this variation as part of the budget approval.

As with the [Vision 4](#) hardware refresh, whereby a level of project resourcing was built into the Capex profile, it is necessary to ensure a similar level of provision in the

Capex profile for 2024/25 to support delivery of the ICCS refresh. Using the learning from the Vision refresh it is recommended that money is earmarked for a customer side project manager and additional funding for ICT practitioners to support supplementary FRS integration work that does not fall within the remit of SSS Public Safety Ltd.

The TVFCS Inter Authority Agreement also makes provision for a separate contingency allocation from the renewals account. It is recommended that a figure of 10% of the RWCS is used to allocate to this fund.

Appendix D

Thames Valley Renewal Account Long Term Forecast (LTF)

The Inter Authority Agreement (the agreement) Schedule 7, Part B, 2.1 sets out that RBFA shall provide a forecast of capital expenditure for each year over the life of the Agreement. The Agreement in its current form terminates in 2030.

The table below provides details of Capex spending to date as per the agreed profiles for 2022/23 and 2023/24 (there was no Capex profiled prior to 2022/23). It provides a forecast based on the current Capex contribution of £50k per Authority.

Funding will be required for a full system replacement by April 2030 due to the expiry of the Agreement and all current system contracts. It is likely that the Authorities will need to consider whether future systems are 'cloud' based, reducing the demand on capital spending but increasing the impact on revenue spending. Some capital outlay will be necessary and the prudent approach to maintaining the Renewals Account is recommended. However, further clarity is required to fully understand the likely funding profile and, over the next 12-24 months, Officers will work with colleagues from across the sector who are procuring system replacements to refine the TVFCS forecast expenditure on systems.

Renewal account Long Term Forecast	
Balance as at 31 March 2022	£1,912k
Contribution 2022/23	£150k
Interest 2022/23	£55k
2022/23 Capex Programme ⁱ	-£265k ⁱ
Balance as at 31 March 2023	£1,852k
Contribution 2023/24	£150k
Interest 2023/24	£113k
2023/24 Vision Hardware replacement – final payment]	-£284k ⁱⁱ
Balance as at 31 March 2024	£1,831k
Contribution 2024/25	£150k
Interest 2024/25	£59.5k
2024/25 Capex programme spend (Video Monitoring system)	- £72k ⁱⁱⁱ
2024/25 Capex Programme [See appendix C - ICCS hardware refresh]	-£665k ^{iv}
Balance as at 31 March 2025	£1,303.5k

Contribution 2025/26	£150k
Interest 2025/26	£29k
Balance as at 31 March 2026	£1,482.5k
Contribution 2026/27	£150k
Interest 2026/27	£32.6k
Balance as at 31 March 2027	£1,665.1k
[Commission replacement project]	
Contribution 2027/28	£150k
Interest 2027/28	£36.3k
Balance as at 31 March 2028	£1,851.4k
Contribution 2028/29	£150k
Interest 2028/29	£40k
Balance as at 31 March 2029	£2,041.4k
Contribution 2029/30	£150k
Interest 2029/30	£44k
Projected total at end of current agreement (April 2030)	£2,235.4k

i) The 2022/23 Capex programme included the following - £248k milestone payment for the Vision hardware refresh and associated £8k project management costs. A payment of £9k was also made for a replacement Uninterrupted Power Supply for Secondary Control.

The 2022/23 Capex budget contingency of £88k was not utilised.

ii) As agreed at TVFCS Joint Committee July 2023 the final payments for the Vision Hardware refresh were to be paid in 2023/24 and amount to £248k. In addition, there are also the remaining project management costs of £36k.

iii) The total Capex Profile for 2023/24 was £181,500, including an inflationary uplift. This included provision for replacement of the voice recording system at circa £90k. This was not delivered in 2023/24 as it will be included in the ICCS hardware replacement due to be delivered in 2024/25 instead.

Furthermore, the 2023/24 profile set aside an estimated figure of £50k for replacement of a video monitoring system. The actual cost of the contract was £72,351.28.

The 2023/24 Capex budget contingency of £16.5k was not utilised.

iv) The 24/25 Capex is set out in appendix C of the 24/25 TVFCS budget papers.

GREEN SECTION - Inter Authority Agreement clause 30.1 states that three years prior to the Expiry Date the Fire Authorities shall discuss whether each Fire Authority (or the Remaining Fire Authorities, as appropriate) wish to continue to participate in TVFCS following the expiry of this Agreement, with a view to reaching a decision by two years prior to the Expiry Date.

Interest accrued

The agreement also sets out that OCC will hold the Renewals Account balance and invests it in line with its treasury management policies. The average interest rate earned on all of its investments will be applied to the Renewals Account balance and the corresponding amount of interest shall be added to the Renewals Account balance.

RBFA shall be responsible for accounting and budgeting in relation to the Renewals Account. OCC shall inform RBFA of the interest earned in each Financial Year.