

Public Document Pack

LANCASHIRE COMBINED FIRE AUTHORITY

RESOURCES COMMITTEE

Wednesday, 29 November 2017 in Main Conference Room, Service Headquarters, Fulwood commencing at 10.00 am.

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AGENDA

PART 1 (open to press and public)

Chairman's Announcement – Openness of Local Government Bodies Regulations 2014

Any persons present at the meeting may photograph, film or record the proceedings, during the public part of the agenda. Any member of the press and public who objects to being photographed, filmed or recorded should let it be known to the Chairman who will then instruct that those persons are not photographed, filmed or recorded.

1. DISCLOSURE OF PECUNIARY AND NON-PECUNIARY INTERESTS

Members are asked to consider any pecuniary and non-pecuniary interests they may have to disclose to the meeting in relation to matters under consideration on the agenda.

2. APOLOGIES FOR ABSENCE

3. MINUTES OF THE PREVIOUS MEETING (Pages 1 - 16)

4. FINANCIAL MONITORING 2017/18 (Pages 17 - 26)

5. TREASURY MANAGEMENT MID-YEAR REVIEW 2017/18 (Pages 27 - 36)

6. FLEET ASSET MANAGEMENT PLAN (Pages 37 - 84)

7. DATE AND TIME OF NEXT MEETING

The next scheduled meeting of the Committee has been agreed for 10:00 hours on 21 March 2018 in the Main Conference Room, at Lancashire Fire & Rescue Service Headquarters, Fulwood.

Further meetings are: scheduled for 25 May 2018 and 26 September 2018
 proposed for 28 November 2018

8. URGENT BUSINESS

An item of business may only be considered under this heading where, by reason of special circumstances to be recorded in the Minutes, the Chairman of the meeting is of the opinion that the item should be considered as a matter of urgency. Wherever possible, the Clerk should be given advance warning of any Member's intention to raise a matter under this heading.

9. EXCLUSION OF PRESS AND PUBLIC

The Committee is asked to consider whether, under Section 100A(4) of the Local Government Act 1972, they consider that the public should be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph of Part 1 of Schedule 12A to the Local Government Act 1972, indicated under the heading to the item.

PART 2

10. URGENT BUSINESS (PART 2)

An item of business may only be considered under this heading where, by reason of special circumstances to be recorded in the Minutes, the Chairman of the meeting is of the opinion that the item should be considered as a matter of urgency. Wherever possible, the Clerk should be given advance warning of any Member's intention to raise a matter under this heading.

11. CAR ALLOWANCE - TAX IMPLICATIONS UPDATE REPORT (Pages 85 - 88)

12. APPRENTICE STRATEGY (Pages 89 - 100)

(Report to follow)

13. HIGH VALUE PROCUREMENT PROJECTS (Pages 101 - 106)

LANCASHIRE COMBINED FIRE AUTHORITY

RESOURCES COMMITTEE

Wednesday, 27 September 2017, at 10.00 am in the Main Conference Room, Service Headquarters, Fulwood.

MINUTES

PRESENT:

Councillors

F De Molfetta (Chairman)
D Coleman
N Hennessy (Vice-Chair)
F Jackson
T Martin
D O'Toole
G Wilkins
T Williams

Officers

C Kenny, Chief Fire Officer (LFRS)
J Johnston, Deputy Chief Fire Officer (LFRS)
K Mattinson, Director of Corporate Services (LFRS)
B Warren, Director of People and Development (LFRS)
J Bowden, Head of Finance (LFRS)
D Brooks, Principal Member Services Officer (LFRS)

15/17 APOLOGIES FOR ABSENCE

Apologies were received from County Councillors Lorraine Beavers and David Stansfield.

16/17 DISCLOSURE OF PECUNIARY AND NON-PECUNIARY INTERESTS

None received.

17/17 MINUTES OF THE PREVIOUS MEETING

It was noted that resolution 7/17 (as identified on page 5 of the minutes) had been updated following the Authority meeting held 18 September 2017.

RESOLVED: - That the Minutes of the last meeting held on 28 June 2017 be confirmed as a correct record and signed by the Chairman.

18/17 REVISIONS TO THE STATEMENT OF ACCOUNTS 2016/17

The Committee approved the draft Statement of Accounts for the financial year ended 31 March 2017 at the June meeting, prior to the audit being carried out by Grant Thornton. The Statement of Accounts had now been updated to reflect two adjusted misstatements and one disclosure change identified during the audit as now presented.

The Director of Corporate Services reassured Members that it was not unusual for the auditors to find something in the statement of accounts and that the changes identified were minor changes. The Audit Findings report considered under appendix 2 of the report (as detailed on page 92 of the agenda pack) confirmed that the accounts were prepared to a high quality, were supported by comprehensive working papers and that the Auditors anticipated providing an unqualified audit opinion in respect of the financial statements.

The Head of Finance confirmed that a short-term investment was for a period of 12 months or less. Checks had been put in place to ensure investments were classified correctly in future reports.

The Director of Corporate Services advised that the changes requested by Grant Thornton had been made to the accounts and the updated version would be presented to the Audit Committee on 28 September 2017 for information, alongside the full Audit Findings Report.

RESOLVED: - That the Committee re-approved the revised Statement of Accounts.

19/17 FINANCIAL MONITORING 2017/18

The report set out the current budget position in respect of the 2017/18 revenue and capital budgets and performance against savings targets.

Revenue Budget

The overall position as at the end of July showed an under spend of £0.2m. Trends were being monitored to ensure that they were reflected in future years budgets as well as being reported to the Resources Committee. In terms of the year end forecast, it was still early in the year however, the latest forecast showed an overall underspend of approximately £0.8m.

The Committee was provided with detailed information regarding the position within individual departments, with major variances relating to non-pay spends and variances on the pay budget being shown below:-

Area	Overspend / (Under spend) to 31 July £'000	Forecast Outturn at 31 March £'000	Reason
Service Delivery	44	(20)	<p>The overspend for the year to date related to various headings, such as uniforms, training props for stations, and furniture, which were timing related and were expected to even out as the year progressed.</p> <p>The outturn underspend reflected all of the above, in addition to continued reduced spend on smoke detectors and fire safety consumables.</p>
Property	63	86	The overspend position related to premises repairs and maintenance, which was expected to continue for the remainder of the year.
Wholetime Pay	(202)	(579)	<p>The year to date position reflected:</p> <ul style="list-style-type: none"> the number of wholetime recruits taking part in the June course was lower than budgeted, 32 compared with a budgeted 36. in addition vacancies to date were higher than forecast due to the early leaver profile. pension costs were lower than forecast as the number of personnel who were no longer on the FF pension schemes stood at 25, in addition staff continued to transfer from the 92 scheme to the 2015 scheme resulting in a reduction in employer pension contributions. the annual pay award had not yet been agreed, which would have been effective from 1 July, this resulted in an underspend of approximately £24k at the end of July. With the balance of the underspend relating to the timing of costs of ad hoc payments such as public holidays.

			<p>The majority of the forecast underspend was attributable to the shortfall in whole-time recruit numbers. As reported at the last Committee meeting the budget was set based on populating 2 recruits courses with 60 recruits in total whereas the actual number of recruits would total 49.</p> <p>It was also worth noting that the forecast outturn included an assumed 1% pay-award, but as Members were aware the Union and Employers Side had been unable to reach an agreement at the present time.</p>
RDS Pay	(37)	(104)	<p>The forecast underspend on RDS pay arose as implementation of the revised pay scheme was delayed until June, pending its approval by the Fire Brigades Union regional council.</p>
Associate Trainers	39	125	<p>The annual training plan was used to match planned training activity to staff available at the training centre. Where this was not possible, associate trainers were brought in to cover the shortfall. The reintroduction of wholetime courses this year would lead to an increased use hence the forecast overspend.</p>
Support staff (less agency staff)	(81)	(241)	<p>The underspend to date related to vacant posts across various departments, which were in excess of the vacancy factor built into the budget. The majority of these vacancies had now been filled, although ICT and Knowledge Management remained problem areas.</p> <p>As highlighted at June's Committee meeting the budget included a sum of £180k to allow for the recruitment of apprentices in the second half of the year. This recruitment had been delayed whilst an appropriate mechanism was identified, meaning that it was unlikely that the allocation would be utilised in year. The previous report proposed that any underspend on this budget should be carried forward as an earmarked reserve to meet on-going costs in future years, hence as part of the year end process the eventual underspend would be transferred to earmarked reserves.</p>

As the grey book pay award had not yet been agreed, the current forecast outturn

underspend of £0.8m was calculated based on a 1% pay award. It was worth noting that each 1% pay award in excess of this equated to an additional cost of approx. £250k.

Capital Budget

The Capital Programme for 2017/18 stood at £13.533m. A review of the programme had been undertaken to identify progress against the schemes as set out below: -

Pumping Appliances	<p>The budget allowed for the purchase of 6 pumping appliances for the 2017/18 programme, for which the order was placed in February 2017. It was currently anticipated that these appliances would be delivered in early 2018. In addition, the budget allowed for the final stage payments in relation to the 5 pumping appliances carried from the 2016/17 programme, which were delivered during June and August. Spend to date related to completion of the 2016/17 appliances, and the first stage payment of the 2017/18 appliances.</p> <p>As such we anticipated all of this budget being utilised by year end.</p>
Other vehicles	<p>This budget allowed for the replacement of various operational support vehicles, the most significant of which were one of the Command Support Units and two Driver Training Vehicles. Requirements for these were currently being finalised with a view to undertaking a procurement exercise. However given requirements were still being finalised and taking account of anticipated lead times the final costs associated with the purchase of these would slip over into 2018/19.</p>
Operational Equipment/Future Firefighting	<p>This budget allowed for the replacement of Thermal Imaging Cameras (TICs), for which the tender process was underway.</p> <p>The budget allowed for the balance of the Future Fire Fighting equipment budget, the majority of which related to the purchase of the technical rescue jackets, following the regional procurement exercise. The Director of Corporate Services highlighted that there was a possibility these may not be delivered by year end due to sizing issues and lead times for production.</p> <p>The replacement of Breathing Apparatus Radios would slip into 2018/19, as options were being reviewed including the potential to undertake a regional procurement process.</p>
Building Modifications	<p>Completion of the new joint Fire & Ambulance facility at Lancaster was scheduled for the last quarter of the current financial year. Contract variations of £41k had been agreed in respect of time delays due to the discharge of planning conditions, and upgrading the appliance bay doors.</p> <p>In terms of the redevelopment of Preston Fire and Ambulance Station we completed the purchase of the additional land, as agreed by the Committee, in June. However progress on agreeing the details of the development with NWAS had been slow, although they had now confirmed their agreement to the scheme</p>

	<p>meaning that we were now able to make progress on appointing consultants to take the project forward to detailed design and ultimately construction. This meant that no building works would take place in the current financial year; hence the majority of capital budget would slip into the next financial year.</p> <p>The budget also allowed for the outstanding sums due in respect of the replacement water main at STC and the completion of the Multi Compartment Fire Fighting prop, both of which had now been completed.</p> <p>The replacement Fleet workshop had been on hold pending further discussion with Police relating to a joint facility. However our requirements, which related to an equipment maintenance facility, and Police requirements which related to a vehicle maintenance facility, did not align, nor was the location deemed suitable for a vehicle maintenance facility. As such we would now progress this scheme, working up a detailed design prior to undertaking a tendering exercise. Whilst some costs may be incurred in the current year, the majority of this would slip into 2018/19.</p> <p>The final element of this capital budget related to investment in training assets at both STC and service delivery locations to maximise the efficiency and consistency of staff training, and in particular RDS staff. The exact requirements remained subject to review, and a further update on progress would be presented to the Committee once requirements had been finalised. However given the timeframes in finalising requirements, designing and tendering a scheme it was highly unlikely that any significant costs would be incurred in the current year.</p>
IT systems	<p>The majority of the capital budget related to the national Emergency Services Mobile Communications Project (ESMCP), to replace the Airwave wide area radio system and the replacement of the station end mobilising system. The ESMCP project budget, £1.0m, was offset by anticipated grant, however the timing of both expenditure and grant was dependent upon progress against the national project. We were due to receive an update in November however it appeared increasingly unlikely that we would incur significant costs in the current year.</p> <p>Given the delay on the ESMCP project the replacement station end project had also been delayed, however we were currently reviewing options to enhance resilience and ensure that any solution was compatible with the eventual ESMCP solution. As such we may incur some expenditure on this, but it was unlikely to be the full budgeted amount, £400k.</p> <p>The budget also allowed for the replacement of the Services wide area network (WAN) providing an enhanced network and improving speed of use across the Service.</p>

	<p>The delivery of this was currently scheduled for the last quarter of the current financial year, when our existing contract expired.</p> <p>The balance of the budget related to the replacement of various systems, in line with the ICT asset management plan. Whilst procurement work was on-going to facilitate the replacement of some of these systems in the current year, we were still reviewing the need to replace others. Hence further updates on progress would confirm which replacements were being actioned in the current year and anticipated spend profiles.</p>
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Appendix 2 set out the capital programme and the expenditure position against this, as reflected above. The costs to date would be met by both capital grant and revenue contributions.

Delivery against savings targets

The current position on savings targets identified during the budget setting process was reported. The performance to date was ahead of target due to a combination of the underspend on salaries for the first four months, plus savings in respect of procurement activities during the same period. It was anticipated that we would meet our efficiency target for the financial year.

In response to a question raised by CC Wilkins in relation to Building Modifications for the redevelopment of Preston Fire and Ambulance Station the Director of Corporate Services confirmed that there was £3.5m in the budget of which the majority would slip into the next financial year.

In response to a question raised by Cllr Williams the Director of Corporate Services confirmed that the net costs for agency staff were very small compared with the overall support staff budget and were not therefore separated out in the report.

The Director of Corporate Services confirmed that any underspend would be carried forward by default to general reserves, unless there was specific requirement to transfer to earmarked reserves or capital funding reserves. The Authority considered the transfer to reserves as part of the outturn position reported to the Resources Committee in June.

RESOLVED: - That the Committee:-

- i) Noted the financial position; and
- ii) Endorsed the contract variation approved for the Lancaster Fire Station rebuild.

20/17 WORKFORCE PLAN

The Director of People and Development presented the current version of the Workforce Plan which set out Lancashire Fire and Rescue Service's (LFRS) objectives based on the organisational context, structure and workforce profiles. The report also detailed labour demand, turnover and forecasting together with recruitment, retention and succession planning and talent management.

The objective of the plan was to ensure that the organisation had:-

- The right number of people with the right skills employed in the right place, at the right time to deliver the short and long term objectives of LFRS.
- The right people in the right roles considering the experience, skills and qualifications required for the role.
- A better understanding about what sort of workforce was likely to be needed in the future.
- The right resources allocated to work areas to fulfil the demands for the Service now and in the future.
- A diverse workforce recruited and developed which could meet the differing needs of the communities of Lancashire.

For workforce planning purposes the data collected related to a position in time as at 31.3.2017. Members considered the Workforce Action Plan, as now presented.

It was noted that the Action Plan would be reviewed regularly in light of changes to the political, economic, sociological, technological and legal environment. It would also be updated in light of any change projects which impacted on the LFRS workforce and monitoring would be undertaken by the Workforce Development Programme Board.

Workforce planning priorities 2017/18 were:

- Deliver a whole time recruitment campaign to replace those exiting LFRS due to the current age profile.
- Deliver the organisational development plan to ensure a consistent understanding of leadership within LFRS, developing the skills and competences of our leaders ensuring individual responsibility for personal development and leadership was displayed ensuring a diversity of ideas, experiences, backgrounds were valued and innovative solutions to problems identified.
- Increase the diversity of the workforce.
- Increase the number of apprentices within LFRS through the recruitment of Fire Fighter apprentices following the launch of the new trailblazer in October 2017.
- Review the reasons for high levels of turnover within the RDS through a qualitative questionnaire.
- Review how leaders (in particular underrepresented groups) can be supported to develop and progress through consultation with existing staff and sharing good practice.
- Explore opportunities for improving the physical fitness of the older workforce to aid retention in light of the aging profile.

In response to a question from CC Wilkins the Director of People and Development confirmed that the Service actively promoted the health and wellbeing of staff which included: training on distress management and mental wellness, the provision of an Occupational Health Unit, an employee assistance programme, the use of cognitive behavioural therapy where appropriate and the Service had signed the MIND pledge on Mental Health to deliver greater awareness and support to staff.

RESOLVED: - That the Committee noted the Workforce Plan.

21/17 EQUALITY, DIVERSITY & INCLUSION ACTION PLAN AND PROGRESS REPORT

The Equality Act 2010 stated that everyone had the right to be treated fairly and equally. The Act had two main purposes. It brought together and simplified all of the existing discrimination law, and strengthened the law to further support progress on equality. In the exercise of its functions (including any function carried out by an external supplier/organisation), the Service must have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- Advance equality of opportunity between people who share a protected characteristic and those who do not;
- Foster good relations between people who share a protected characteristic and those who do not.

These were often called the three main aims of the “general duty” and were detailed in the Equality Act 2010 Section 149. The Equality Duty was supported by two main specific duties which required public bodies to:

- Publish equality information at least annually;
- Set and publish equality objectives at least every four years.

Members considered the Equality, Diversity and Inclusion Annual Report as now presented. This was the way in which the Service demonstrated it was meeting its legal requirements, the report contained information (based on information that had been disclosed or that was publically available) about:-

- Our corporate planning and policy approach to equality and diversity;
- The composition and the equality profile of our workforce;
- An overview of equality-related activities.

The Annual Report made reference to how equality, diversity and inclusion activity was embedded within its Corporate Planning process and how LFRS was shaping and delivering its services to meet the needs of its diverse communities. The Report included data that it was required to report in terms of its workforce profile, its completed action plan for last year and its actions for next year. The delivery of the action plan was monitored through the Equality, Diversity and Inclusion Steering Group.

In response to Members questions the Director of People and Development confirmed that the Authority complied with the Equality Act 2010. Firefighters dealt with incidents which exposed them to people from different ethnic origins and colour was not seen as a barrier. Our values were based on ‘STRIVE’ – Service (delivering the best service at all times); Trust (being open and honest with each other); Respect (treating people fairly); Integrity (accepting responsibility and accountability for performance); Valued (engaging people and recognising achievements); Empowered (giving people the support they need to deliver change). Where there had been incidents these were dealt with seriously. In addition, exit interviews were held to receive feedback from individuals.

Positive action campaigns were held on an ongoing basis to improve the diversity of the workforce. Although there was more to be done to improve diversity, Home

Office requirements for female recruits had been exceeded in the last recruitment campaign.

The Deputy Chief Fire Officer advised that now the Service was able to recruit on a regular basis it was possible to better engage with the community in readiness for recruitment campaigns.

In response to a question raised by Cllr Coleman, the Director of People and Development confirmed that the Service intended to recruit apprentices within the firefighter cadre when the framework was available and were considering apprentices within the support functions, with consideration currently being given to scale 4 vacancies as to whether an apprentice would be appropriate. Further work was required in this area and the Director of People and Development would bring a report back to a future meeting.

RESOLVED: - That the Committee noted the Equality, Diversity and Inclusion Annual Report.

22/17 DEBT RESTRUCTURING

The Authority currently held £5.5m of debt. Borrowing was at fixed rates, ranging between 4.10% and 4.88% and as a result of this the Authority incurred annual interest charges of £0.25m.

As part of the 2017/18 Treasury Management Strategy, presented to Members in February, a review of debt restructuring opportunities was undertaken which identified that the cost of repaying the loans in the year would be in the region of £1.6m. This would result in lower interest payments over the period of the loans of £2.7m, a net gain over the period of the loans of £1.1m. However, paying the loans early would result in a loss of investment income, and allowing for future interest rate forecasts, once this was taken into consideration then it was estimated that the repayment of the loans would cost rather than save the Authority money. Hence it was recommended that debt restructuring was not undertaken at that time, but that the situation would be reviewed again as part of the mid-year update.

Mid-Year Update

It was noted that a loan for £330k matured on 31 December 2017, and as such was excluded from the review as this would be repaid at that time.

The level of penalty applicable on early repayment of loans had been reviewed again and this now stood at £1.7m. (As previously reported the level of penalty was dependent upon two factors, the difference between the interest chargeable on the loan and current interest rates, the greater this difference the greater the penalty, and the length to maturity, the greater the remaining time of the loan the greater the penalty. Hence as interest rates increase or as loans got closer to maturity, the level of penalty would reduce.) This compared with the outstanding interest payable between now and maturity of £2.6m; giving a gross saving of £0.9m. However as highlighted as part of the strategy, and referred to above, any early repayment meant that cash balances available for investment would be reduced and hence interest receivable would also be reduced. The extent of which was dependent upon future interest rates.

Comparison Utilising Base Rate 0.25%

As a starting point a forecast was provided based on interest rates remaining at their current level of 0.25%. Based on this the anticipated reduction in interest receivable, as a result of the early repayment of loans, was £0.2m. Hence the net saving by repaying loans early was £0.7m. The overall position was broken down into a loan by loan analysis in the report as now presented. This showed at current interest rates it would be financially advantageous to pay off all loans. However, using 0.25% as an interest rate forecast throughout the duration of the loan period seemed unrealistic, as forecasts suggested that interest rates would increase in future years.

Comparison Utilising Forecast Increase in Base Rate to 0.50%

The latest indications from the Bank of England were that base rates were likely to rise to 0.50% earlier than previously anticipated; hence the calculations had been re-run utilising that. Based on this the anticipated reduction in interest receivable, as a result of the early repayment of loans, increased to £0.4m, hence the net saving by repaying loans early fell to £0.5m. The overall position was broken down into a loan by loan analysis in the report. This showed that at a revised base rate of 0.50% it would be beneficial to pay off the longer term loans, but not those that mature in the next 6 years. However, even using an updated base rate of 0.50% as an interest rate forecast throughout the duration of the loan period seemed unrealistic, as all forecasts suggested that interest rates would increase further in future years.

Comparison Utilising Current Gilt Rates

As such the net impact based on current investment returns on Gilts, available mid-September had been re-calculated. The overall position was summarised in the report which showed that the anticipated reduction in interest receivable was far more significant, £1.2m, resulting in a net cost of £0.3m if all the loans were repaid. The position on loans maturing within the next 10 years was fairly cost neutral, a net loss of £40k, it was the longer term loans where the majority of losses would be incurred.

Comparison Utilising Inter-Authority Fixed Term Investments

Whilst Gilts represented the safest investment, as they were backed by the Government, inter-authority fixed term investments offered a greater return, albeit they were marginally more risky, which would result in a greater net cost in early repayment, £0.7m.

Comparison Demonstrating Breakeven Position

As a final comparator a breakeven position had been calculated in terms of the average interest rate that would be required over the remaining life of each loan in order for early repayment costs to be fully offset. If average interest rates throughout the remaining life of each loan were lower than the breakeven interest rates shown then it was financially advantageous to pay off the loan, if they were greater then it would cost more to pay off the loan than the net saving on interest.

It was noted that other than during the current financial crisis interest rates had never been at such a low rate as were required to achieve the breakeven position shown. If, as seemed likely, interest rates proved to be higher than this then the early repayment of debt resulted in a worse overall financial position.

Ultimately any decision re: early repayment of debt relied on future interest rates which could not be known with any degree of certainty; hence there was always a risk that any decision would be incorrect. Paying off the debt early gave certainty; it enabled all the costs to be met in the current year and eliminated the interest payable budget in future years, reducing the pressure on the revenue budget. The Authority had sufficient cash balances to meet any repayments costs, having set aside an earmarked reserve of £1.0m to offset a proportion of any penalty costs associated with this, with any balance being met in year.

As an alternative a series of fixed term investments could be established to mirror our debt portfolio with investment returns offsetting interest payments. Utilising Gilts in this way would generate £1.0m of interest receivable over the life of the loans, compared with interest payable of £2.5m, a shortfall of £1.5m. This was still less than the penalty being charged on early repayment, £1.7m, and was considered a risk free strategy as it was based on Government investment. An earmarked reserve could be established to offset any in year shortfall over the life of the debt, i.e. £1.5m over the next 20 years. Given we had already established a reserve of £1.0m to meet potential penalty costs associated with early repayment, we would need to transfer a further £0.5m into this reserve in order to completely offset future net interest payments. Whilst this is a viable option, the level of returns on Gilts still appeared to be extremely low and hence it was still not considered an ideal solution at the present time, albeit it was still more attractive than repayment of all debt and the associated penalty.

Members debated the options. In response to a question raised by CC Wilkins the Director of Corporate Services confirmed that there may be a need to borrow in the future dependent upon future capital requirements, but that the existing 5-year programme did not include any such requirement at the present time.

A summary position was tabled setting out the position based on paying off all loans that matured in the next 10 years, taking account of investment returns in line with current gilt rates.

Penalty incurred	£720k
Savings on interest payable	(£838k)
Reduction in interest receivable	£159k
Net Cost	£41k

The penalty charged and the loss of interest receivable still exceeded the savings on interest payable by £41k, however the loss of interest receivable was very much dependent upon the assumed interest rate, and whilst this option showed a loss based on the gilt rates, it would show a profit utilising the existing base rate, 0.25% or a revised base rate of 0.50%. Paying off these loans gave the Authority certainty in terms of current cost, removing the variable associated with future interest rates.

Paying off these loans would leave 3 loans that would mature after the 10 year period.

RESOLVED: - That the Committee agreed to pay off all loans that matured in the

next 10 years.

23/17 DATE AND TIME OF NEXT MEETING

The next meeting of the Committee would be held on Wednesday 29 November 2017 at 1000 hours in the Main Conference Room at Lancashire Fire and Rescue Service Headquarters, Fulwood.

A further meeting date was noted for 21 March 2018.

It was agreed that the meeting scheduled for 13 June 2018 be moved by the Clerk to during week commencing 21 May 2018 to accommodate signing of the accounts.

A further meeting was agreed for 26 September 2018.

24/17 URGENT BUSINESS - THE 2018/19 LOCAL GOVERNMENT FINANCE SETTLEMENT - TECHNICAL CONSULTATION PAPER

The Local Government Finance Settlement was the basis by which the Government allocated out funding to individual authorities. The Department for Communities and Local Government issued a consultation document titled "The 2018/19 local government finance settlement – technical consultation paper" on 14 September 2017, with a deadline for a response of 26 October 2017. The proposed 2018-19 settlement was framed in the context of the overall Spending Review package. The 2016-17 settlement offered local authorities a four-year settlement, giving greater certainty over their funding. The Authority was amongst the 97% of local authorities who accepted this offer. The proposed 2018-19 settlement funding was therefore allocated in accordance with the agreed methodology announced by the Secretary of State at that time.

The National Fire Chiefs Council was drafting a response to the consultation document, and it was felt there was merit in utilising that response as a basis for an individual response by the Authority. As such it was proposed that any response be delegated to the Treasurer, in consultation with the Chief Fire Officer and the Chairman of the Resources Committee.

However, Members considered two particular areas which were relevant to the Fire Authority as highlighted in the report.

The third year of the multi-year settlement offer

The document confirmed that "barring exceptional circumstances and subject to the normal statutory consultation process for the local government finance settlement, the Government intended to present these figures to parliament as part of the 2018-19 provisional local government finance settlement in due course." The four-year settlement showed the Authority's funding being reduced by £5.5m (18%) over this period, although it was noted that the majority of this reduction occurred in the first two years of the settlement.

Hence, barring exceptional circumstances, we expected to receive £24.4m of funding in 2018/19, a reduction of £0.9m.

However, the four-year funding settlement was predicated on the Government maintaining its public sector pay cap at 1%. Any pay awards in excess of this would

either require additional funding or would directly impact on future council tax levels.

Question 1: Do you agree that the government should continue to maintain the certainty provided by the 4-year offer as set out in 2016-17 and accepted by more than 97% of local authorities?

Issues to consider in any response

We welcomed the certainty that the four year settlement provided, and supported the principle that, other than in exceptional circumstances, this would not change. However we felt that the lifting of the 1% public sector pay cap qualified as exceptional circumstances and therefore believed that the settlement needed to take account of both this and future years pay awards, in order to ensure that local government funding, and in our case Fire Authority funding, kept pace with pay increases.

The Fire and Rescue Services National Employers had made an offer to the Fire Brigades Union of a 2% pay increase in 2017/18 followed by a further 3% increase in 2018/19, however the 3% offer in 2018/19 was conditional upon governments across the UK providing funding to enable authorities to meet this cost. In order to put this into context for Lancashire the 2% pay award equated to an increase of £0.7m compared with the 1% budgeted cost of £0.3m, a 3% increase equated to £1.0m compared with the 1% budgeted increase of £0.3m, potentially over £1million more cost than budgeted or allowed for in the funding settlement. If funding was not increased to meet these additional costs then the entire burden would have to be met by further savings, which would potentially mean revisiting the Emergency Cover Review, or from reserves, or from council tax increases. Whilst this offer had been rejected, it appeared highly likely that any final agreement would exceed the 1% pay cap and as such we believed it was essential that additional funding be provided to meet the eventual pay awards.

Council tax referendum principles

The document outlined the following council tax referendum principles:-

- a core principle of less than 2%;
- a continuation of the Adult Social Care precept of an additional 2% with additional flexibility to increase the precept by 1% to 3% in 2018-19, provided that increases did not exceed 6% between 2017-18 and 2019-20;
- shire district councils would be allowed increases of less than 2% or up to and including £5, whichever is higher;
- Police precepts in the lowest quartile would be allowed increases of less than 2% or up to and including £5, whichever was higher.

This meant that Fire would be limited by the general principle i.e. a council tax increase of less than 2%.

Question 9: Do you have views on council tax referendum principles for 2018-19 for principal local authorities?

Question 10: Do you have views on whether additional flexibilities are required for particular categories of authority? What evidence is available to support this specific flexibility?

Issues to consider in any response

Should greater flexibility be provided to Fire Authorities to increase council tax by a

margin greater than 2%? Should this be set at £5 as per the flexibility provided to all Shire District Councils and Police precepts in the lower quartile? This flexibility would seem to be particularly relevant given the uncertainty on pay awards and the breaking of the public sector pay cap referred to earlier.

It did seem to penalise Fire Authorities, who had the lowest average precept of any principal authority (£72 compared with Shire Districts of £176 and Police and Crime Commissioners of £172), by not allowing flexibility in line with other types of authorities. Whether the Authority then chose to utilise that flexibility was a different issue, and one which would be debated as part of the budget setting process.

If greater flexibility was provided should this be limited to just those authorities who were in the lower quartile of council tax levels? Lancashire had the 8th lowest council tax out of 29 precepting authorities, was that in the lower quartile? However what was clear was that regardless of whether we were in the lower quartile our actual council tax increases had been the lowest of any authority for a number of years, only a 2.9% increase since 2011/12 and the only Fire Authority to freeze council tax for 2017/18. A similar flexibility was agreed in 2013/14, where 5 Fire Authorities increased council tax by the permitted £5, all of these Authorities still remained in the bottom quartile, but all of them have had the highest increase in council tax over the last 6 years, an average increase of 16% compared with 9% for all others. Was it right that the same flexibility was extended to the same authorities, or should it be extended to all authorities? If all Authorities faced similar pressures, with pay increases being the most notable, should the flexibility be extended to all Authorities similar to the model for Shire District Councils?

RESOLVED: - That any response be delegated to the Treasurer, in consultation with the Chief Fire Officer and the Chairman of the Resources Committee.

25/17 EXCLUSION OF PRESS AND PUBLIC

RESOLVED: - that the press and members of the public be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph of Part 1 of Schedule 12A to the Local Government Act 1972, indicated under the heading to the item.

26/17 EXTRACT FROM WORKFORCE PLAN AND EQUALITY, DIVERSITY AND INCLUSION ANNUAL REPORT

(Paragraph 2)

RESOLVED: - That the Committee noted the recommendation as outlined in the report.

27/17 CAR ALLOWANCES - TAX IMPLICATIONS

(Paragraphs 2 and 3)

The Chief Fire Officer and Deputy Chief Fire Officer were not present for this item.

Members considered the report in detail and asked for further information to be

provided to the Resources Committee Chairman, Vice-Chairman and Leader of the Opposition to make a decision at a separate meeting to be arranged for as soon as possible and to which other Members of the Resources Committee would be welcome to attend.

RESOLVED:- that delegated authority be given to the Resources Committee Chairman, Vice-Chairman and Leader of the Opposition to determine how to proceed.

28/17 HIGH VALUE PROCUREMENT PROJECTS

(Paragraph 3)

Members considered a report that provided an update on all contracts for one-off purchases valued in excess of £50,000 and high value procurement projects in excess of £100,000 including: new contract awards, progress of ongoing projects and details of new projects with an anticipated value exceeding £100,000.

RESOLVED: That the Committee noted the report.

M NOLAN
Clerk to CFA

LFRS HQ
Fulwood

LANCASHIRE COMBINED FIRE AUTHORITY RESOURCES COMMITTEE

Meeting to be held on 29 November 2017

FINANCIAL MONITORING 2017/18 (Appendices 1 and 2 refer)

Contact for further information:

Keith Mattinson - Director of Corporate Services – Telephone Number 01772 866804

Executive Summary

The report sets out the current budget position in respect of the 2017/18 revenue and capital budgets and performance against savings targets.

Recommendation

Resources Committee is requested to:

- note the financial position;
- subject to Planning Committee approval, approve the capital purchase of the water tower vehicle.

Information

Revenue Budget

The overall position as at the end of September shows an underspend of £0.3m. We continue to monitor any developing trends to ensure that they are reflected in future year's budgets, as well as being reported to Resources Committee.

In terms of the year end forecast the latest forecast shows an overall underspend of approx. £0.8m. Included within this are the following key areas which have all previously been reported to Resources Committee:-

- £300k underspend due to shortfall in W/T recruitment;
- £100k underspend due to delay in implementing revised RDS pay;
- £150k underspend within support staff pay due to apprentice posts budget not being fully utilised in year – this could be transferred into an earmarked reserve to pump prime future years apprenticeship posts subject to Resources Committee approval in May as part of the revenue outturn reporting.

The year to date and forecast outturn positions within individual departments are set out in Appendix 1, with major variances relating to non-pay spends and variances on the pay budget being shown separately in the table below: -

Area	Overspend / (Under spend) to 30 Sept	Forecast Outturn at 31 March	Reason
	£'000	£'000	
Service Delivery	(16)	(43)	<p>The current and forecast outturn position reflect underspends on smoke detectors and income generated in relation to Drone courses run by LFRS. This is partly offset by overspends on new recruits uniforms/PPE, training mannequins for stations, and furniture.</p> <p>The forecast also includes £200k for the partial swap out of various items of PPE, gloves, boots and helmets, with the balance of costs, £300k, being met in 18/19.</p>
Fleet Services	62	23	<p>The current position relates to anticipated overspends on Breathing Apparatus and Hydrant repairs, less underspends on tyres and hose replacements/repairs. The outturn position also reflects anticipated income from the sale of vehicles before the year end.</p>
Human Resources	37	(65)	<p>The current overspend represents unbudgeted costs in relation to carrying out the wholetime recruitment exercise.</p> <p>The outturn position includes the remainder of the budget allocation for Organisational Development (currently £82k). Spends committed against this funding are an additional fixed term HR adviser, the leadership conferences and the management development programme.</p>
Property	120	99	<p>The overspend position relates to premises repairs and maintenance, which is expected to continue for the remainder of the year.</p>
Non DFM	61	169	<p>The overspend relates to funding of the posts created during the year in order to address new initiatives, such as the creation of a team to undertake preparatory work in advance of the new inspection regime, and the creation of additional posts to meet the workload demands arising from the roll out of National Operational Guidance and Learning</p> <p>It should be noted that the outturn position ignores year-end adjustments in respect of the final insurance position on the Aggregate Stop Loss and claims history, which will only be determined as part of the year end process.</p>

			All but 4 of the PWLB outstanding loans were repaid on 3 October, the resultant penalty of £635k will be met from earmarked reserves.
Wholetime Pay	(308)	(513)	<p>The year to date position reflects:</p> <ul style="list-style-type: none"> the number of whole time recruits taking part in the June course is lower than budgeted, 32 compared with a budgeted 36; in addition vacancies to date are higher than forecast due to the early leaver profile; pension costs are lower than forecast as the number of personnel who are no longer on the FF pension schemes stands at 25, in addition staff continue to transfer from the 92 scheme to the 2015 scheme resulting in a reduction in employer pension contributions; the annual pay award has not yet been agreed, which would have been effective from 1 July, this results in an underspend of approximately £72k at the end of September; With the balance of the underspend relating to the timing of costs of ad hoc payments such as public holidays. <p>The outturn reflects all of the above, plus the shortfall in W/T recruitment for the January recruits course (17 as opposed to a budgeted figure of 24).</p> <p>The majority of the forecast underspend is attributable to the shortfall in whole-time recruit numbers. As reported previously the budget was set based on populating 2 recruits courses with 60 recruits in total whereas the actual number of recruits will total 49.</p> <p>It is also worth noting that the forecast outturn includes an assumed 1% pay-award, but as Members will be aware the Union and Employers Side have been unable to reach an agreement at the present time.</p>
Control Staff	(22)	(44)	The underspend relates to a communications officer post, which is temporarily filled by a wholetime member of staff, whilst the substantive post holder is seconded to work for the Home Office on the national ESMCP project.
RDS Pay	(62)	(112)	The forecast underspend on RDS pay arises as implementation of the revised pay scheme

			was delayed until June, pending its approval by the Fire Brigades Union regional council
Associate Trainers	55	142	The annual training plan is used to match planned training activity to staff available at the training centre. Where this is not possible, associate trainers are brought in to cover the shortfall. The reintroduction of wholetime courses this year will lead to an increased use of these, hence the forecast overspend.
Support staff (less agency staff)	(113)	(282)	<p>The underspend to date relates to vacant posts across various departments, which are in excess of the vacancy factor built into the budget. The majority of these vacancies have now been filled, although ICT and Knowledge Management remain problem areas.</p> <p>Note agency staff costs to date of £74k are replacing vacant support staff roles, compared to support staff costs to date of £3,036k (i.e. agency staff are 2% of support staff).</p> <p>As highlighted previously the budget included a sum of £180k to allow for the recruitment of apprentices in the second half of the year. This recruitment has been delayed whilst an appropriate mechanism is identified, meaning that approx. £150k of the funding will not be utilised in the current year. The previous report proposed that any underspend on this budget should be carried forward as an earmarked reserve to meet on-going costs in future years, hence as part of the year end process the eventual underspend will be transferred to earmarked reserves, subject to Resources Committee approval in May as part of the revenue outturn reporting.</p>
Apprentice Levy	(11)	(25)	The apprentice levy is payable at 0.5% of each months payroll costs, the budget for this was set at anticipated establishment levels, hence the underspend against this budget reflects the various pay budget underspends reported above.

As the grey book pay award has not yet been agreed, the current forecast outturn underspend of £0.8m is calculated based on a 1% pay award. It is worth noting that each additional 1% pay award will increase the current year costs by £0.25m.

In addition, the potential purchase of the Water Tower described in the capital budget section below would utilise £0.4m of the underspend, should it be approved by Planning Committee in November.

The Director of Corporate Services confirmed at the last Resources Committee meeting that any underspend would be carried forwards into general reserves, unless there was a specific requirement to transfer into earmarked reserves or capital funding reserves. He also confirmed that any proposed transfers into reserves would be considered as part of the outturn position that will be reported to the Resources Committee in June 2018.

Capital Budget

The Capital Programme for 2017/18 stands at £13.533m. A review of the programme has been undertaken to identify progress against the schemes as set out below, however as it's only two months since the last report there isn't a significant change from the previous reported position: -

Pumping Appliances	<p>The budget allows for the purchase of 6 pumping appliances for the 2017/18 programme, for which the order was placed in February 2017. We currently anticipate that these appliances will be delivered in early 2018. In addition, the budget allows for the final stage payments in relation to the 5 pumping appliances carried from the 2016/17 programme, which were delivered during June and August. Spend to date relates to completion of the 2016/17 appliances, and the first stage payment of the 2017/18 appliances.</p> <p>As such we anticipate all of this budget being utilised by year end</p>
Other vehicles	<p>This budget allows for the replacement of various operational support vehicles, the most significant of which are one of the Command Support Units and two Driver Training Vehicles. Requirements for these are currently being finalised with a view to undertaking a procurement exercise. However given requirements are still being finalised and taking account of anticipated lead times the final costs associated with the purchase of these will slip over into 2018/19.</p> <p>Members are aware that we currently lease a Water Tower vehicle, on trial as a new fire-fighting concept. This lease expires before the end of the financial year and options are being considered around the longer term capabilities of such a vehicle within our fleet. These options will be presented to Planning Committee for a decision, and should the potential purchase of the Water Tower be approved we would need to fund the capital cost by an additional contribution of £0.4m from the revenue budget (thus reducing the forecast underspend).</p>
Operational Equipment/Future Firefighting	<p>This budget allows for the replacement of Thermal Imaging Cameras (TICs), for which the tender process is underway. The budget allows for the balance of the Future Fire Fighting equipment budget, the majority of which relates to the purchase of the technical rescue jackets, following the regional procurement exercise, which will be delivered</p>

	<p>during the first quarter of the new financial year.</p> <p>The replacement of Breathing Apparatus Radios will slip into 2018/19, as options are being reviewed including the potential to undertake a regional procurement process.</p>
Building Modifications	<p>Completion of the new joint Fire and Ambulance facility at Lancaster has slipped into the first quarter of 2018/19, due to delays in the demolition of the existing station on the discovery of asbestos.</p> <p>In terms of the redevelopment of Preston Fire and Ambulance Station we completed the purchase of the additional land, as agreed by the Committee, in June. NWAS have now confirmed their intention to use the site as an ambulance station, therefore we are in the process of appointing consultants to take the project forward to detailed design and ultimately construction. This delay means that no building works will take place in the current financial year; hence the majority of capital budget will slip into the next financial year.</p> <p>The budget also allows for the outstanding sums due in respect of the replacement water main at STC and the completion of the Multi Compartment Fire Fighting prop, both of which have now been completed.</p> <p>The replacement Fleet workshop had been on hold pending further discussion with Police relating to a joint facility. However as requirements did not align, and the location deemed unsuitable for a vehicle maintenance facility, we will now progress this scheme, working up a detailed design prior to undertaking a tendering exercise. Whilst some costs may be incurred in the current year, the majority of this will slip into 2018/19.</p> <p>The final element of this capital budget relates to investment in training assets at both STC and service delivery locations to maximise the efficiency and consistency of staff training, and in particular RDS staff. The exact requirements remain subject to review, however given the timeframes in finalising requirements, designing and tendering schemes it is highly unlikely that any significant costs will be incurred in the current year, and a further update on progress will be presented to the Committee once requirements have been finalised.</p>
IT systems	<p>The majority of the capital budget relates to the national Emergency Services Mobile Communications Project (ESMCP), to replace the Airwave wide area radio system and the replacement of the station end mobilising system. The ESMCP project budget, £1.0m, is offset by anticipated grant, however the timing of both expenditure and grant is dependent upon progress against the national project. We are due to receive an update in November however it appears increasingly unlikely that we will incur significant costs in the current year.</p>

	<p>Given the delay on the ESMCP project the replacement station end project has also been delayed, however we are currently reviewing options to enhance resilience and ensure that any solution is compatible with the eventual ESMCP solution. As such we may incur some expenditure on this, but it is unlikely to be the full budgeted amount, £400k.</p> <p>The budget also allows for the replacement of the Services wide area network (WAN) providing an enhanced network and improving speed of use across the Service. The delivery of this is currently scheduled for the last quarter of the current financial year, when our existing contract expires.</p> <p>The balance of the budget relates to the replacement of various systems, in line with the ICT asset management plan. Whilst procurement work is on-going to facilitate the replacement of some of these systems in the current year, we are still reviewing the need to replace others. Hence further updates on progress will confirm which replacements are being actioned in the current year and anticipated spend profiles.</p>
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Appendix 2 sets out the capital programme and the expenditure position against this, as reflected above. The costs to date will be met by both capital grant and revenue contributions.

Delivery against savings targets

The following table sets out the efficiencies identified during the budget setting process, hence removed from the 2017/18 budget, and performance to date against this target: -

	Annual Target	Target at end of Sept	Savings at end of Sept
	£m	£m	£m
Staffing, including Emergency Cover Review outcomes, LGPS scheme deficit removal plus management of vacancies	0.777	0.630	1.080
Reduction in service delivery non pay budgets including the smoke detector budgets	0.222	0.111	0.144
Reduction in Property repairs and maintenance and utilities budgets	0.215	0.108	0.025
Reduction in Fleet repairs and maintenance and fuel budgets (although these budgets are underspent, they are offset by overspends on other budget headings as reported above)	0.066	0.033	-

Reduction in insurance Aggregate Stop Loss	0.050	0.025	0.025
Reduction in capital financing charges	0.040	0.020	0.020
Procurement savings (these are savings on contract renewals, such as waste collection and stationery contracts)	-	-	0.071
Balance – cash limiting previously underspent non pay budgets	0.180	0.090	0.090
Total	1.550	1.016	1.455

The performance to date is ahead of target, a combination of the underspend on salaries for the first six months, plus savings in respect of procurement activities during the same period. It is anticipated that we will meet our efficiency target for the financial year.

Financial Implications

As outlined in the report

Business Risk Implications

None

Environmental Impact

None

Equality and Diversity Implications

None

Human Resource Implications

None

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact
None		
Reason for inclusion in Part II, if appropriate:		

APPENDIX 1

BUDGET MONITORING STATEMENT SEP 2017	Total Budget	Budgeted Spend to Sep 2017	Actual Spend to Sep 2017	Variance O/Spend (U/Spend)	Variance Pay	Variance Non-Pay	Forecast outturn
	£000	£000	£000	£000	£000	£000	£000
Service Delivery							
Service Delivery	30,869	15,644	15,262	(382)	(366)	(16)	(43)
Training & Operational Review	3,420	1,840	1,869	28	24	4	6
Control	1,148	861	861	(0)	-	(0)	(0)
Prince's Trust Volunteers Scheme	-	101	94	(7)	-	(7)	(5)
Special Projects	12	6	1	(5)	0	(5)	(7)
Strategy & Planning							
Fleet & Technical Services	2,301	1,348	1,409	61	(1)	62	23
Information Technology	2,371	1,298	1,239	(59)	(66)	7	4
Service Development	3,770	1,906	1,898	(8)	(21)	13	(5)
People & Development							
Human Resources	636	251	274	23	(13)	37	(65)
Occupational Health Unit	199	89	82	(7)	8	(15)	(19)
Corporate Communications	294	146	95	(51)	(24)	(27)	(44)
Safety Health & Environment	205	105	97	(8)	0	(8)	(16)
Corporate Services							
Executive Board	978	503	508	5	9	(4)	(14)
Central Admin Office	750	365	396	31	30	1	2
Finance	142	71	73	2	1	1	3
Procurement	790	388	393	4	(16)	20	(25)
Property	1,271	672	773	101	(18)	120	99
External Funding	-	(18)	(15)	2	3	(0)	(1)
Pay							(834)
TOTAL DFM EXPENDITURE	49,157	25,576	25,309	(267)	(451)	184	(940)
Non DFM Expenditure							
Pensions Expenditure	1,172	727	678	(49)	-	(49)	(51)
Other Non-DFM Expenditure	3,604	918	979	61	0	61	169
NON-DFM EXPENDITURE	4,777	1,645	1,657	13	0	13	118
TOTAL BUDGET	53,933	27,220	26,966	(254)	(451)	197	(823)

APPENDIX 2

CAPITAL BUDGET 2017/18	Revised Programme	Nov Resources	Revised Programme	Projected to Date	Actual Expenditure	Variance to Date	Year End Forecast	Slippage	Estimated final Cost	Over/ (Under) Spend
Vehicles										
Pumping Appliance	1.728	-	1.728	0.873	0.864	(0.009)	1.728	-	1.728	-
Other Vehicles	0.901	-	0.901	0.213	0.169	(0.044)	0.334	(0.557)	0.891	(0.011)
	2.629	-	2.629	1.086	1.033	(0.053)	2.062	(0.557)	2.618	(0.011)
Operational Equipment										
Operational Equipment	1.112	-	1.112	0.020	0.020	-	0.020	(1.092)	1.112	-
	1.112	-	1.112	0.020	0.020	-	0.020	(1.092)	1.112	-
Buildings Modifications										
STC Redevelopment	0.793	-	0.793	0.220	0.224	0.004	0.250	(0.543)	0.793	-
Lancaster Replacement	2.119	-	2.119	0.800	0.794	(0.006)	1.900	(0.219)	2.119	-
Other works	4.900	-	4.900	0.150	0.151	0.001	0.151	(4.749)	4.900	-
	7.812	-	7.812	1.170	1.168	(0.002)	2.301	(5.511)	7.812	-
ICT										
IT Systems	1.980	-	1.980	0.100	-	(0.100)	0.140	(1.840)	1.980	-
	1.980	-	1.980	0.100	-	(0.100)	0.140	(1.840)	1.980	-
Total Capital Requirement	13.533	-	13.533	2.376	2.221	(0.155)	4.523	(9.000)	13.522	(0.011)
Funding										
Capital Grant	1.466	0.039	1.505	0.505	0.505	-	0.505	(1.000)	1.505	-
Revenue Contributions	2.000	-	2.000	1.651	1.493	(0.158)	2.000	-	2.000	-
Earmarked Reserves	0.249	-	0.249	0.220	0.224	0.004	0.249	-	0.249	-
General reserves	2.600	-	2.600	-	-	-	1.769	(0.831)	2.600	-
Capital Reserves	7.218	(0.039)	7.179	-	-	-	-	(7.168)	7.168	(0.011)
Total Capital Funding	13.533	0.000	13.533	2.376	2.221	(0.155)	4.523	(9.000)	13.522	(0.011)

LANCASHIRE COMBINED FIRE AUTHORITY RESOURCES COMMITTEE

Meeting to be held on 29 November 2017

TREASURY MANAGEMENT MID-YEAR REPORT 2017/18 (Appendix 1 refers)

Contact for further information:

Keith Mattinson - Director of Corporate Services – Telephone Number 01772 866804

Executive Summary

The report sets out the Authority's borrowing and lending activities during 2017/18. Decisions taken were taken in accordance with the Treasury Management Strategy and were based on anticipated spending and interest rates prevailing at the time.

Recommendation

1. The Authority is asked to note and endorse the report.
2. The Authority is asked to approve an amended Prudential Indicator to allow 100% of debt to mature over 10 years.

Information

In accordance with the CIPFA Treasury Management Code of Practice (2011) and to strengthen Members' oversight of the Authority's treasury management activities, the Resources Committee receives regular updates on treasury management issues including a mid-year report and a final outturn report. Reports on treasury activity are discussed on a quarterly basis with Lancashire County Council Treasury Management Team and the Authority's Director of Corporate Services and the content of these reports is used as a basis for this report to the Committee.

Economic Overview

The key economic messages in the period were the increasing inflation, falling unemployment but reductions in the real wages. The Consumer Price Inflation (CPI) index rose in August to 2.9%, its highest since June 2013. This increase was largely due to the fall in the value of sterling following the June 2016 referendum which has led to higher import prices. The new inflation measure CPIH, which includes owner occupiers' housing costs, was at 2.7%.

The unemployment rate fell to 4.3%, its lowest since May 1975, but the squeeze on consumers intensified as average earnings grew at 2.5%, below the rate of inflation. Economic activity expanded at a much slower pace as evidenced by Q1 and Q2 GDP growth of 0.2% and 0.3% respectively. With the dominant services sector accounting for 79% of GDP, the strength of consumer spending remains vital to growth, but with household savings falling and real wage growth negative, there are concerns that these will be a constraint on economic activity in the second half of calendar 2017.

The Bank of England made no change to monetary policy at its meetings in the first half of the financial year. The vote to keep Bank Rate at 0.25% narrowed to 5-3 in June highlighting that some MPC members were more concerned about rising inflation than the risks to growth. Although at September's meeting the Committee voted 7-2 in favour of keeping Bank Rate unchanged, the MPC changed their rhetoric, implying a rise in Bank Rate in "the coming months". Subsequently at the MPC meeting of the 2nd November the base rate was increased to 0.5%.

Global growth prospects improved during the period. The US Federal Reserve increased its target range of official interest rates in June for the second time in 2017 by 25bps (basis points) to between 1% and 1.25%. The Fed also announced confirmed that it would be starting a reversal of its vast Quantitative Easing programme.

However geopolitical tensions escalated in August as the US and North Korea exchanged verbal threats over reports about enhancements in North Korea's missile programme. The provocation from both sides helped wipe off nearly \$1 trillion from global equity markets but benefited safe-haven assets such as gold, the US dollar and the Japanese yen.

Prime Minister Theresa May called an unscheduled General Election in June, result of which has led to a minority Conservative government with support from the Democratic Unionist Party. This clearly results in an enhanced level of political uncertainty. The uncertainty around future trade relations with the rest of the EU block, is denting business sentiment and investment. The reaction from the markets on the UK election's outcome was fairly muted, business confidence now hinges on the progress (or not) on Brexit negotiations.

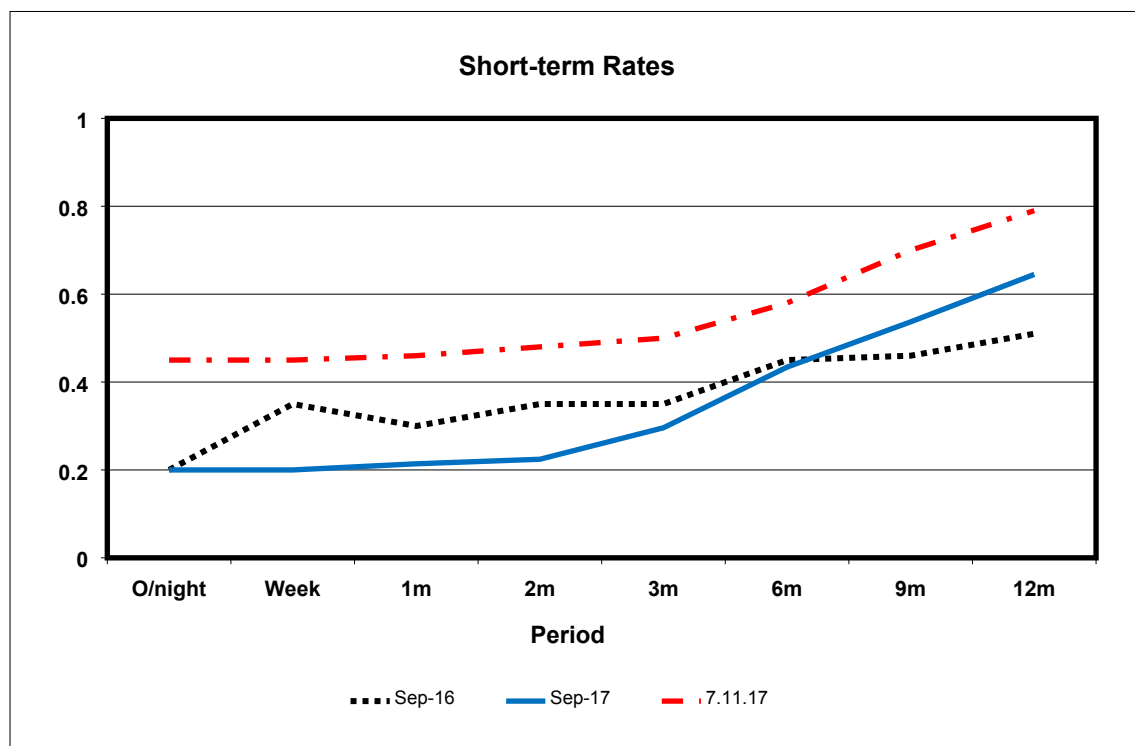
In the face of a struggling economy and Brexit-related uncertainty, Arlingclose expects the Bank of England to take only a very measured approach to any monetary policy tightening, any increase will be gradual and limited as the interest rate backdrop will have to provide substantial support to the UK economy through the Brexit transition.

Financial markets: Gilt yields displayed significant volatility over the six-month period with the perceived change in sentiment in the Bank of England's outlook for interest rates, the push-pull from expectations of tapering of Quantitative Easing (QE) in the US and Europe and from geopolitical tensions. The FTSE 100 nevertheless increased reaching a record high of 7548 in May but dropped back to 7377 at the end of September. Money markets rates have remained low: 1-month, 3-month and 12-month LIBID rates have averaged 0.25%, 0.30% and 0.65% over the period from January to 21st September.

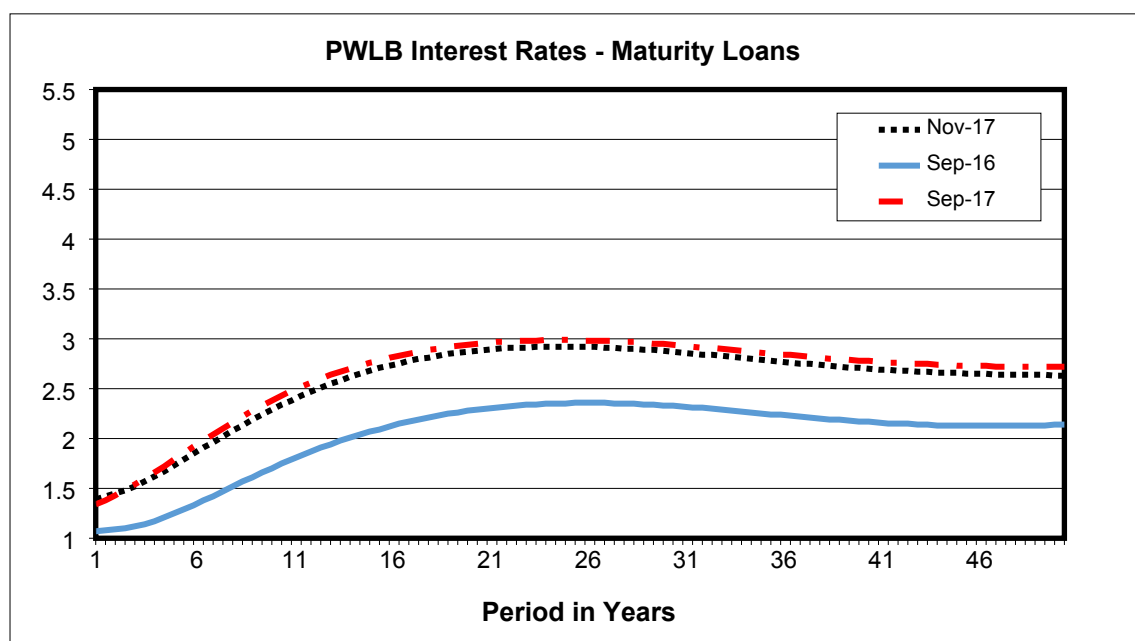
Credit background: The significant change was the downgrade by Moody's to the UK sovereign rating in September from Aa1 to Aa2 which resulted in subsequent downgrades to sub-sovereign entities including local authorities.

Interest Rate Environment

Short term interest rates continue at the very low levels with the Bank of England keeping the base rate to 0.25% throughout the first half of the financial year. However, as noted above the base rate was increased to 0.5% in November. The graphs below show the latest short term rates and for comparison the rates that were available at the end of September 2016 and 2017.



Current longer term PWLB rates are shown below, again with September data for information.



Outlook for Interest Rates

The table below shows Arlingclose, the County Council's Treasury Management advisors, latest forecast for interest rates issued in November which takes into account the increase in November. They stated that "The MPC has increased Bank Rate, largely to meet expectations they themselves created. Future expectations for higher short term interest rates are subdued. On-going decisions remain data dependant and negotiations on exiting the EU cast a shadow over monetary policy decisions. Our central case for Bank Rate is 0.5% over the medium term. The risks to the forecast are broadly balanced on both sides".

Period	Bank Rate	3 month LIBID	12 month LIBID	20-year Gilt Rate
Q4 2017	0.50	0.50	0.70	1.85
Q1 2018	0.50	0.50	0.70	1.85
Q2 2018	0.50	0.50	0.70	1.85
Q3 2018	0.50	0.50	0.70	1.85
Q4 2018	0.50	0.50	0.80	1.85
Q1 2019	0.50	0.50	0.80	1.90
Q2 2019	0.50	0.50	0.80	1.90
Q3 2019	0.50	0.50	0.80	1.95
Q4 2019	0.50	0.50	0.80	1.95
Q1 2020	0.50	0.50	0.80	2.00
Q2 2020	0.50	0.50	0.80	2.05
Q3 2020	0.50	0.50	0.80	2.05
Q4 2020	0.50	0.50	0.80	2.05

Borrowing

There has been no new borrowing in the first six months of the financial year. This is in line with the policy of using cash balances to fund capital expenditure which has resulted in no new borrowing being undertaken since 2007.

All of the Fire Authority's existing borrowing is from the Public Works Loan Board. The long term debt outstanding at the beginning of the year was £5.514m which has remained unchanged up to 30th September.

However, the viability of repaying the PWLB loans is reviewed on a regular basis. As a result a report was submitted to the Resources Committee on 27 September which provided information on the impact of repaying the loans. As a result the Committee agreed to pay off all loans that matured in the next 10 years. Subsequently on 5 October loans of £3.184m were repaid which incurred a premium charge of £0.636m. Therefore the outstanding PWLB balance was reduced to £2.330m. Of this £0.330m is due to mature in December 2017 and was not repaid as PWLB do not normally accept repayments for loans with less than one year to maturity. Therefore the estimated balance at the end of the financial year is £2m.

The table below show the maturity profile of the Authority's borrowings, along with an interest rate paid.

Loan Amount	Maturity Date	Interest rate
£0.330m	December 2017	4.10%
£0.650m	December 2035	4.49%
£0.650m	June 2036	4.49%
£0.700m	June 2037	4.48%

Investments

Both the CIPFA Code and the CLG Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving low investment returns and having the value of reserves eroded by inflation.

The Authority principally invests in a call account provided by Lancashire County Council which pays the base rate. Each working day the balance on the Authority's Current Account is invested in this to ensure that the interest received on surplus balances is maximised. During the period all new investments were placed with the County Council via this arrangement. At 30th September there was a balance of £41.081m with the average balance invested in LCC for the period was £33.951m.

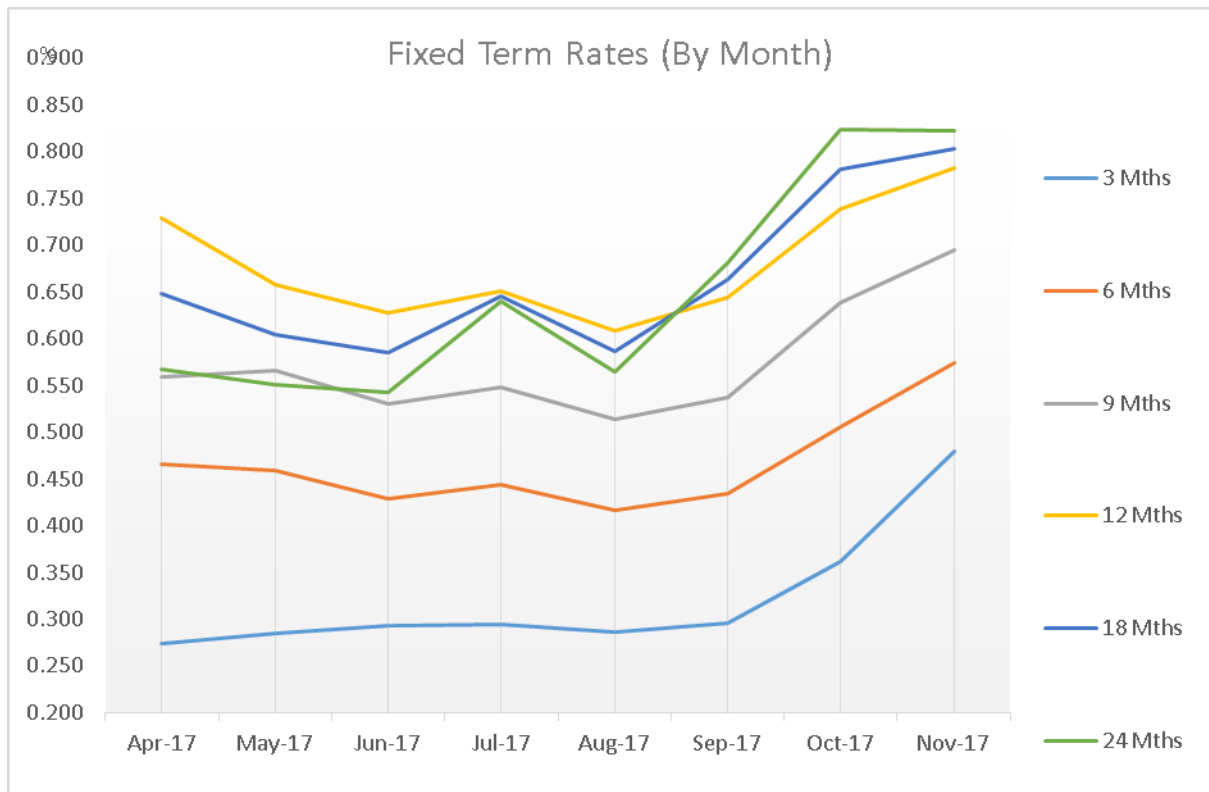
In addition the Authority has a long term investments that has been placed with UK local authority as outlined below. Another £5m investment matured in July and has been repaid.

Start Date	End Date	Principal	Rate	Annual Interest	Interest 2016/17
30/6/14	28/6/19	£5,000,000	2.4%	£120,000	£120,000

Therefore the total investment held at 30 September is £46.081m. As a result of the repayment of loans mentioned earlier the total level of investments reduced to £43.2m at 31 October 2017.

The overall the rate of interest earned during this period was 0.61% which compares favourably with the benchmark 7 day LIBOR index which averages 0.24% over the same period.

In order to increase the rate earned on current balances, the authority would need to place fixed investments for a longer period of time. The graph over the page shows the current fixed term rates available in the market; although with the limits on the credit rating of the counterparties in the Fire Strategy the rate available to the Authority may be slightly lower.



Attached at appendix 1 is a forecast cash flow for the year. This shows that further sums could be placed on fixed term investments. However, to obtain a better interest rate return than the call account would involve fixing investment for at least 6 months. This position is kept under constant review and suitable opportunities will be taken.

All investments are made in accordance with the current Treasury Management Strategy and the CIPFA treasury management code of practice.

Prudential Indicators

In order to control and monitor the Authority's treasury management functions, a number of prudential indicators are determined against which performance may be measured. The indicators for 2017/18 were approved by the Authority on 20th February 2017 are shown in the table over the page alongside the current actual.

	2017/18 PIs	Actual to 30.9.17
Adoption of the CIPFA Code of Practice for Treasury Management	Adopted	Adopted
Authorised limit for external debt	£m	£m
A prudent estimate of total external debt, which does not reflect the worst case scenario, but allows sufficient headroom for unusual cash movements		
Borrowing	7.800	5.514
Other long-term liabilities	15.000	14.638
Total	22.800	20.152
Operational boundary for external debt		
A prudent estimate of debt, but no provision for unusual cash movements. It represents the estimated maximum external debt arising as a consequence of the Authority's current plans		
Borrowing	6.800	5.514
Other long-term liabilities	14.500	14.638
Total	21.300	20.152
Upper limit for fixed interest rate exposure		
Borrowing	100%	100%
Investments	100%	10.9%
Upper limit for variable rate exposure		
Borrowing	25%	0%
Investments	100%	89.1%
Upper limit for total principal sums invested for over 364 days (per maturity date)	25.000	5.000
Maturity structure of debt	Upper/ Lower Limits	Actual %
Under 12 months	30% / nil	6.0
12 months and within 24 months	30% / nil	6.0
24 months and within 5 years	50% / nil	15.4
5 years and within 10 years	80% / nil	36.3
10 years and above	90% / nil	36.3

With the repayment of the PWLB loans the current maturity structure of the debt is:

Under 12 months	14.2%
Over 10 years	85.8%

Although these are within the current Prudential Indicators once the maturing loan is repaid in December then 100% of the debt will be over 10 years. Therefore it is recommended that approval is given to increase the Prudential Indicator for the upper limit for debt in excess of 10 years to 100%.

Regulatory Updates

The first half year saw work being undertaken on two areas namely moves towards the implementation of MiFID II and CIPFA consulting on changes to the Prudential and Treasury Management Codes.

MiFID II

Local authorities are currently treated by regulated financial services firms as professional clients who can “opt down” to be treated as retail clients instead. But from 3rd January 2018, as a result of the second Markets in Financial Instruments Directive (MiFID II), local authorities will be treated as retail clients who can “opt up” to be professional clients, providing that they meet certain criteria. Regulated financial services firms include banks, brokers, advisers, fund managers and custodians, but only where they are selling, arranging, advising or managing designated investments. In order to opt up to professional, the Authority must have an investment balance of at least £10 million and the person authorised to make investment decisions on behalf of the Authority must have at least one year’s relevant professional experience. In addition, the firm must assess that that person has the expertise, experience and knowledge to make investment decisions and understand the risks involved.

The main additional protection for retail clients is a duty on the firm to ensure that the investment is “suitable” for the client. However, local authorities are not protected by the Financial Services Compensation Scheme nor are they eligible to complain to the Financial Ombudsman Service whether they are retail or professional clients. It is also likely that retail clients will face an increased cost and potentially restricted access to certain products including money market funds, pooled funds, treasury bills, bonds, shares and to financial advice. The Authority meets the conditions to opt up to professional status and intends to do so in order to maintain their current MiFID status.

CIPFA Consultation on Prudential and Treasury Management Codes

The proposed changes to the Prudential Code include the production of a new high-level Capital Strategy report to the Authority which will cover the basics of the capital programme and treasury management. The prudential indicators for capital expenditure and the authorised borrowing limit would be included in this report but other indicators may be delegated to another committee. There are plans to drop certain prudential indicators, however local indicators are recommended for ring fenced funds (including the HRA) and for group accounts. Other proposed changes include applying the principles of the Code to subsidiaries.

Proposed changes to the Treasury Management Code include the potential for non-treasury investments such as commercial investments in properties in the definition of “investments” as well as loans made or shares brought for service purposes. Another proposed change is the inclusion of financial guarantees as instruments requiring risk management and addressed within the Treasury Management Strategy. Approval of the technical detail of the Treasury Management Strategy may

be delegated to a committee rather than needing approval of the full Authority. There are also plans to drop or alter some of the current treasury management indicators.

CIPFA intends to publish the two revised Codes towards the end of 2017 for implementation in 2018/19, although CIPFA plans to put transitional arrangements in place for reports that are required to be approved before the start of the 2018/19 financial year. The Department of Communities and Local Government (DCLG) and CIPFA wish to have a more rigorous framework in place for the treatment of commercial investments as soon as is practical. It is understood that DCLG will be revising its Investment Guidance (and its MRP guidance) for local authorities in England; however there have been no discussions with the devolved administrations yet.

Financial Implications

Included within report above

Human Resource Implications

None

Equality and Diversity Implications

None

Business Risk Implications

The Treasury Management strategy is designed to minimise the Authority's financial risk associated with investment decisions, whilst maximising the return on any investments made. As such the adoption of the CIPFA's Code of Practice on Treasury Management and the monitoring arrangements in place ensure that any risks faced by the Authority are managed.

However, it must be acknowledged that there will always be a balance between risk and return and hence the strategy does not completely eliminate the risk of any further default on investments in the future.

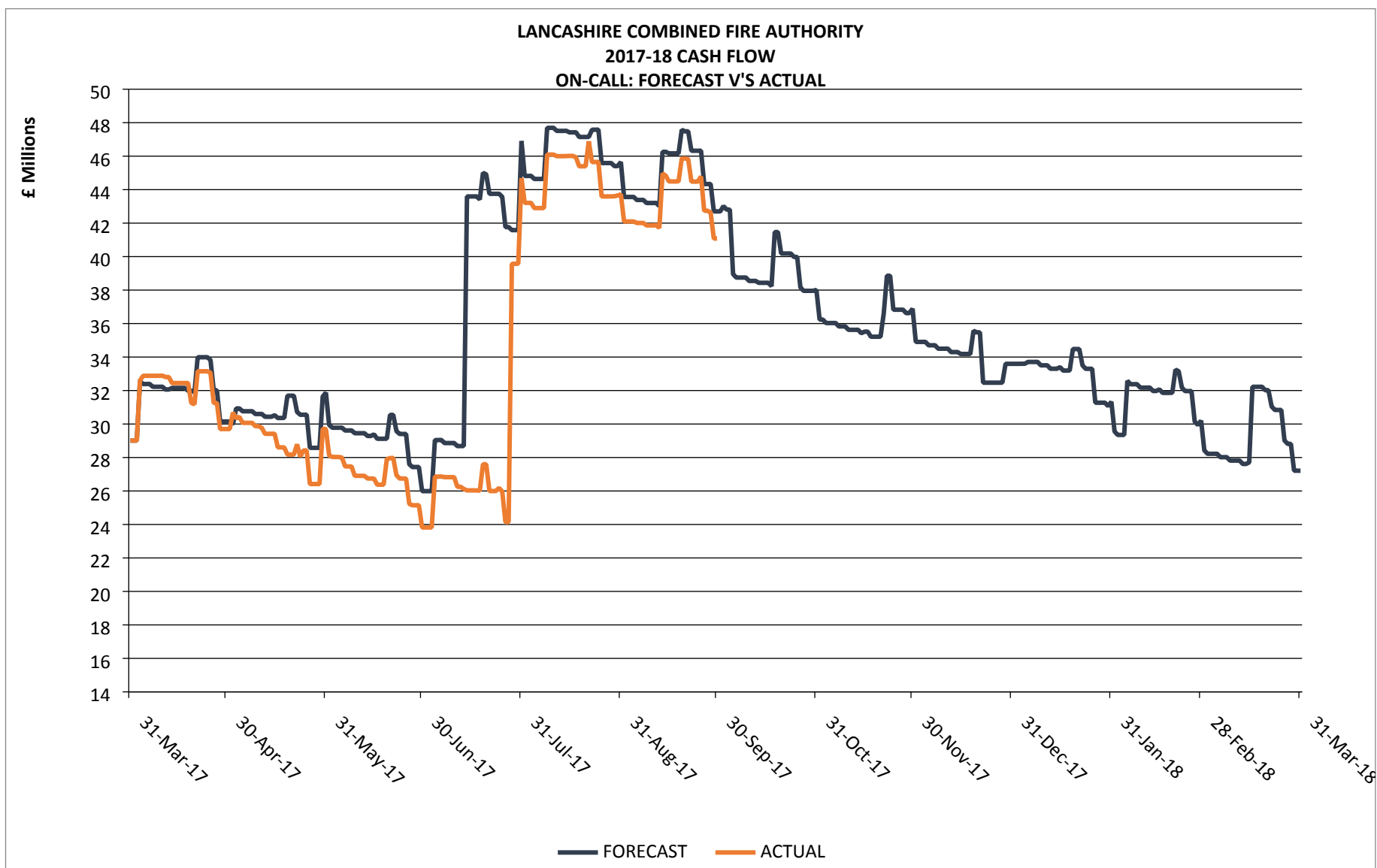
Environmental Impact

None

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact
Treasury Management Strategy 2017/18	February 2017	Keith Mattinson, Director of Corporate Services
Reason for inclusion in Part II, if appropriate:		



LANCASHIRE COMBINED FIRE AUTHORITY RESOURCES COMMITTEE

Meeting to be held on 29th November 2017

FLEET ASSET MANAGEMENT PLAN (Appendix 1 refers)

Contact for further information: Deputy Chief Fire Officer Justin Johnston
Tel No. 01772 866801

Executive Summary

This is the fourth Fleet Asset Management Plan (FAMP) which continues to build on a structured approach to the management of operational vehicles, equipment, breathing apparatus and hydrant assets.

The FAMP is key in determining strategic decisions regarding assets and defining how resources are efficiently and effectively utilised. This will ensure that LFRS's vehicles and equipment provide a resilient service to meet the changing needs of a modern Fire and Rescue Service and the communities it serves.

Whilst the FAMP projects asset replacement over the next twenty years, in reality, the plan sets out an improvement plan over the next three years. The plan will be refreshed on a three year cycle to ensure it continues to accurately reflect the operating environment. This approach secures stability in capital and revenue budgets and facilitates the introduction of new technologies through a staged approach.

The FAMP also covers short and medium term business planning improvement objectives. The Service's Fleet and Engineering Services department will continue to strive for improvement by maintaining a strong focus on customer care.

Recommendation

Members are asked to note and endorse the Fleet Asset Management Plan.

Information

The FAMP is key in determining strategic decisions regarding assets and defining how resources are efficiently and effectively utilised. This will ensure that LFRSs vehicles and equipment provide a resilient service to meet the changing needs of a modern Fire and Rescue Service and the communities it serves.

Running a modern Fleet is a safety critical operation which must ensure employee and public safety. This is achieved through best practice in vehicle inspection, maintenance, operation and procurement. LFRS also ensure compliance to Department of Transport and Driver & Vehicle Standards Agency (DVSA) regulations on construction, use and roadworthiness.

Key projects in the 2018/21 FAMP are:

- Body worn CCTV;
- Battery RTC Tools;

- Ladder policy and specification;
- Replace Command Support Units;
- Breathing Apparatus and Telemetry Equipment.

Running alongside the FAMP, Fleet and Engineering Services department also hold an improvement plan, which focuses on four key performance areas:

- Customer – building stronger working relations and meeting requirements;
- Financial – achieve efficiency savings and maintain a healthy replacement plan;
- Systems – continued development of asset management systems;
- Development / Growth – invest in staff training and development.

The above in conjunction with the FAMP ensures that Fleet and Engineering Services continue to provide the best possible support to Service Delivery.

Business Risk

LFRS must continue to maintain a healthy replacement plan to achieve an effective response service and to maintain a robust business continuity plan.

Environmental Impact

LFRS has committed to the green agenda, therefore by introducing vehicle technology (euro six spec) will reduce emissions and carbon foot print.

Equality & Diversity Implications

None.

HR Implications

Fleet and Engineering Services will liaise closely with HR on changes to departmental structure employment contracts and or service provision.

Financial Implications

Capital and revenue budgets will be reviewed annually to ensure affordability is achieved. LFRS currently spend approximately £1.5m on vehicle and £0.5m on equipment and Breathing Apparatus assets per annum.

Local Government (Access to Information) Act 1985

List of Background Papers

None.

Paper	Date	Contact
Reason for inclusion in Part 2, if appropriate:		

2018-2021



Fleet Asset Management Plan



Lancashire Fire and Rescue Service Fleet Asset Management Plan

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1 INTRODUCTION

Lancashire Fire and Rescue Service publish an Integrated Risk Management Plan (IRMP) on a three yearly cycle. The plan states the priorities for “making Lancashire safer” which are:

- Preventing and Protecting
- Responding
- Engaging with Staff
- Delivering Value of Money

The Fleet Asset Management Plan (FAMP) informs the above planning process on the provision, maintenance and replacement of key assets used to fulfil the above priorities and Fleet and Engineering’s improvement programme.

The FAMP is key in determining strategic decisions regarding the replacement of assets and defining how the resources are efficiently and effectively utilised. This will ensure vehicles and equipment provide a resilient service to meet the changing needs of the modern Fire and Rescue Service at a local level.

2 STRUCTURES

The Head of Fleet and Engineering Services (FES) now has responsibility for managing procurement, maintenance and replacement of vehicle, equipment, Breathing Apparatus, Personal Protective Equipment (PPE) and Fire Hydrants. The HoFES reports to the Deputy Chief Fire Officer who is the accountable Executive Board Officer. It is the Director’s responsibility to inform Members on pertinent issues.

FES work in conjunction with the Director of Corporate Services and operate within revenue and capital budgets approved by Executive Board and Members. The main processes are defined with the Financial Regulations and Contract Standing Orders.

The FAMP sets out a long-term replacement programme over a 15 year period for vehicles and 20 years for equipment. It also indicates actions required during each planning cycle. Budgets are reviewed each year to account for price increases and that intended actions are affordable and meet service needs. It is also appropriate that the Plan is refreshed and presented to Members on a three year planning programme to review progress.

3 ASSET BASE

As at 31 March 2018 the fleet assets will comprised of 224 vehicles (including STC) and 12,394 items of equipment, including BA. The asset value is defined in the table below:

Operational Vehicles	7,882,154
Support Vehicles	534,404
STC (Training Vehicles)	28,642
Operational Equipment	794,795
TOTAL	9,239,995

Appendices A and G give a detailed breakdown of asset numbers and type planned for replacement. The two key objectives FAMP must achieve are to firstly replace assets on time in-line with the life cycle and within the principles of value for money and whole life costs. And secondly to ensure assets are appropriately designed for the work and therefore meet the needs of service delivery.

4 LIFE EXPECTANCY

The lifecycle for an operational fire appliance currently is 12 years, followed by 1 further year at Training Centre achieving a total life of 13 years. The 12 year cycle equates to a fleet turnover of 8% pa. The lifecycles for special appliances range from 8 to 15 years. Their economic life is determined on whole life costs generated through operational use. In order to achieve a smoother asset replacement programme some flexibility regarding replacement is required to even out costs. However, equipment such as Breathing Apparatus needs to be replaced en bloc due to the complexities of training introduced through having a wide product range. Asset replacement plans are set out in Appendix E and G in numbers and Appendices C and F for expenditure. In response to budget reductions, many Fire Services have extended appliance life to generate efficiency savings. Whilst this is a feasible solution, particularly for services with low activity, there is an inherent risk of vehicle component parts becoming obsolete. Life expectancy within other services still remains between 10 and 15 years.

After a 12 year operational life on station or as a reserve, appliances are cascaded down to STC. This fleet has now been increased to 5 vehicles to meet the training needs generated by new recruits. The fleet turnover of 8.6% equates to 5 appliances per annum, therefore STC maintain a reasonable age profile that reflects a similar specification to appliances in service. However, with the

development of technology, there is an increasing pressure to upgrade the STC fleet.

Appliances are still cascaded down to Retained Duty stations, which generally have low activity levels as a mechanism for controlling maintenance costs. Movements tend to occur between year seven and eight when costs peak. A minor refurbishment of around £3k per appliance is undertaken to maintain reliability and potentially a good residual value. Consideration is also given to vehicle aesthetics to maintain a professional image.

Appliance life is continually discussed at a national level, and while most Fire and Rescue Authorities still operate a 12 year lifecycle, some are moving to 13 years with the expectation of reducing capital costs. However, the risk of incurring higher maintenance costs increases. FES will continue to cascade appliances down to low activity to reduce vehicle maintenance costs achieving an economic lifecycle.

5 PROFILED AGE

The replacement plan aims to smooth out vehicle purchases over a period of time to ease pressures on capital and maintenance costs. However, due to late deliveries by varying suppliers vehicles have carried over into the following financial years. In order to address this, a contract was awarded for three years, which has proved to be more effective in managing slippages in lead times. Providing fleet requirements remain static a policy of long term contracts will be maintained to stabilise age profile. To date the age profile for appliances is 7 years.

It is important to note that vehicle and equipment technology has significantly developed over the past three years with the introduction of safer vehicle braking systems, water pump management and ancillary equipment controls as an example. Improvements of this nature increases demand on training needs, which justifies the business case for Training Centre to have a more modern fleet and improve access to the latest vehicle and equipment technology for continuous planned training.

The age profile for the remaining fleet assets continues to be at an average of 6 years. This is due to reducing fleet size and proactively replacing vehicles on time or end of life. Following this policy means that better residual values can be achieved and higher maintenance costs avoided. Income generated from vehicle/equipment sales is

reinvested back into the service to improve or enhance operational assets.

Budget provision for vehicle maintenance in 2017/18 = £634,400. This budget has reduced by 20% since 2014/15. The saving is generated by replacing vehicles on time, implementing robust budget controls and utilising the correct resource for specialist work. Budget provision for equipment maintenance = £59,000, this figure is expected to rise with the introduction of additional equipment assets.

6 RESEARCH AND DEVELOPMENT

Over the past three years the Research and Development (R&D) function has been well embedded into the service and has delivered improvements that enhance firefighter safety and firefighting techniques. The R&D group maintain a cross section of skilled people who bring a wealth of experience, knowledge and interest in moving new developments forward. Operational staff are encouraged to lead on improvements from incident de-briefs and learning from individual operational experiences.

Road Traffic Collisions is the first activity that benefits from new investment. Firefighters have been issued with new items of PPE. Firstly a more suitable glove with improved dexterity, resistance to cuts, improved grip and shock resistance when using RTC tools. The second item of PPE to be rolled out is Technical Rescue Jackets. The jackets are much lighter and flexible for RTC work. Both products improve firefighter safety, comfort and performance.

Battery operated RTC tools (Cutter, Spreader & Ram) are currently being evaluated to establish if the concept is an improvement on existing hydraulic tools. Battery RTC equipment, albeit heavier, is less restrictive to use, has potentially greater cutting and spreading capacity and has reduced noise levels. These products are becoming more popular within the industry therefore LFRS need to conclude their suitability as an alternative before the existing equipment falls due for replacement.

The introduction of Vehicle Stabilisation Units for RTC incidents has significantly improved the safety of casualties and firefighters. Previously short extension ladders along with step blocks and chocks were used for this task. The units are designed to provide a rigid structure that eliminates vehicle movement during extrication maximising safety and effectiveness.

Several high profile pressure misting systems have been introduced into the industry, the most well know being Cobra. LFRS have introduced Fog Spikes which attach to the high pressure hose on the appliance. The fog spike is easily deployed, has equal performance on cooling compartment fires and costs significantly less than other systems. The product reduces risks to fire fighters which enhances their safety and performance.

Unmanned Aerial Vehicle (UAV) technology, also known as a Drone, was introduced within the last 18 months following extensive research, evaluation and in-depth training. The UAV support team are very well established, competent and successful in producing Infrared and/or CCTV footage at operational incidents to aid decision making and learning from incident debriefs. The team also work in collaboration with the Police on incidents such as missing persons and the partnership continues to develop making best use of the investment.

The new Aerial Ladder Platforms (ALP) is now in service following the evaluation and procurement process. The ALP's have proved to be effective at operational incidents due to improved manoeuvrability, ease of operation and increased water tower capability. The procurement framework set up by LFRS and Greater Manchester has led to the purchase of a further six Aerial Appliances by Northwest FRS.

The ALP replacement strategy identified the need for further research on an alternative type of Water Tower Appliance. This research led to the Head of Fleet and Engineering negotiating a 12 month hire agreement with a supplier to evaluate a new appliance concept with water tower capability. The evaluation will end in February 2018 and to date LFRS have gathered sufficient evidence from variety of incidents, mainly with commercial premises to confirm the concept has proved to be successful. Further work will be undertaken to produce an aerial strategy that includes this new concept which improves capability, performance and safety.

7 EQUALITY AND DIVERSITY

Fleet and Engineering Services continually align to the organisations priority to promote equality and diversity. In response it considers and makes provision for different abilities of staff by introducing new ways of working.

The investment made in new products and PPE as described above in the research and development

section is a measure of LFRS commitment to addressing equality and diversity matters related to operational assets.

Continued awareness on equality and diversity streams consistently grows throughout the department, in particular with regard to procurement of assets. During consultation with end users, specific needs are identified and further analysis of workload underpins expectations.

Key areas of consideration are manual handling, accessibility, operability and performance. User requirements are then reflected in product specifications.

8 SAFETY, HEALTH AND ENVIRONMENT

Running a modern Fleet is a safety critical operation that must ensure employee and public safety. This is achieved through best practice in vehicle inspection, maintenance, operation, product development and procurement.

The Safety, Health and Environment Policy outline the aims and objectives and commitment within LFRS to implement and maintain the highest standards of health and safety from all our activities and prevent pollution and minimises our impact on the environment.

LFRS are accredited to ISO 14001:2004 for its Environmental Management System and OHSAS 18001:2007 for its Health and Safety Management System. Each year the systems are externally examined for compliance and continued accreditation. In LFRS, progress and performance are reviewed annually through the Safety, Health and Environment Annual Review Report and regular monitoring through the Health, Safety and Environment Advisory Group.

Through the carbon management programme, LFRS has signed up to the green agenda. The introduction of euro six engines in commercial vehicles demonstrates LFRS's commitment to reducing harmful exhaust emissions. This is a significant change to manage because the euro six exhaust systems are much larger. The appliance body has been redesigned to accommodate the larger system, which results in reduced space for equipment stowage. Therefore, further challenges on product design lie ahead.

Other examples of new vehicle technology are electronically controlled braking, Electronic Stability Programme (ESP) and Lane Change Warning which are safety related improvements. Over the past three years the cost of introducing

the new technology is approximately £8.5K per vehicle.

When replacing support vehicles, carbon dioxide emissions and particulates are always considered and form part of the decision process. LFRS aim to procure vehicles that best fit the task based on capacity and fuel performance.

Hybrid and electric vehicles continue to become more popular with services that generally operate locally such as Local Government organisations. LFRS are going to invest more time in evaluating the different options available and will measure the cost benefit of pursuing a green policy on introducing this technology. Some Northwest FRS have already invested in electric vehicles.

In the commercial vehicle sector for both truck and bus, compressed natural gas and electric hybrid variants continue to be developed. The technology has been embraced by two key suppliers within the Fire Service Industry who will shortly be producing alternative powered fire appliances. LFRS will collaborate with partners and suppliers to determine the cost benefits or otherwise before committing to hybrid or electric vehicle technology.

Although LFRS had previously reduced their fuel use by 40,000 litres over past years, usage has increased which is mainly due to incident activity. Best practice on journey planning is still promoted to encourage awareness of minimising non-essential use. Fuel use league tables are provided to stations as an incentive to continually monitor and improve performance.

9 RESILIENCE

The North West Technical Officers Group (TOG) meets on a quarterly cycle to discuss technical, policy and service delivery issues. The group consists of Lancashire, Merseyside, Greater Manchester, Cheshire, Cumbria and Northern Ireland FRA. Each year the Resilience support agreement is refreshed to reflect up to date services available to each FRS in the event that maintenance facilities are lost.

LFRS have in place a Service Level Agreement (SLA) with Lancashire County Council to provide a vehicle maintenance service. This SLA is further supported by product suppliers/manufacturers and other local specialist contractors.

10 VEHICLE FUNDING

LFRS are currently in a healthy financial position. Therefore, use of Capital funds still remains the most economic approach to finance vehicle and equipment asset purchases. With the lease arrangement there will always be a risk of incurring additional costs for damage through robust application of lease return conditions. LFRS asset life cycles are quite long due to low mileage or low use so the risk of additional costs increases, which make the lease option less attractive. Funding arrangements will be subject to periodic reviews as the financial climate changes.

11 WHOLE-LIFE COSTING

Whole life costing still remains the only accurate way of determining the most economic product/asset to operate within the organisations working environment. The key components are:

- Purchase Value
- Life cycle
- Depreciation/over life
- Residual Value
- Reliability
- Maintenance
- Component costs
- Modification/adaptations
- Downtime
- Fuel Economy
- Carbon Dioxide Rating
- Training

It is essential to have accurate information on the above components in order to make informed decisions when replacing assets in line with a planned programme. Equally important is to ensure the asset meets customer needs and expectation. On occasions, the best product for the task may not always be the cheapest to operate. Assessment of quality and performance over price is crucial in the evaluation process. Therefore a joint approach with customers on selecting an asset is crucial to understand the risks that may arise on both sides.

12 REPLACEMENT PROGRAMME

Smoothing out the replacement plan has been fundamental in stabilising expenditure on maintenance and capital budgets. Over the past three years the maintenance budget has steadily reduced as a direct result of completing planned replacements on time, controlling costs on

vehicles due replacement and avoiding unnecessary maintenance.

Appendices E, F and G show the long term replacement plans based on asset lifecycles. Each year this plan is reviewed against customer's needs. Cost savings are always sought when opportunities arise such as removing underutilised assets and developing shared use to avoid unnecessary purchases.

The capital for vehicle replacement averages £1,572,300 pa. The revenue budget in 2017/18 for equipment replacement and maintenance including BA assets was £442,000.

The budget for vehicle and equipment assets is subject to external/internal budget pressures and reinvestment costs will be regularly reviewed for affordability. Therefore, LFRS will have to evaluate the risks/consequences of not maintaining the desired replacement strategy.

The key objective for the replacement plan is to produce stable operating costs and balanced capital investment. This position will aid the financial planning process. It also gives the customer more choice and opportunity to change vehicle requirements to modernise the service.

13 PROCUREMENT

LFRS have historically used framework agreements to procure vehicle and equipment assets whenever possible. Although guidance on compliance to the framework is given LFRS still carries the risk of challenge from suppliers who are unsuccessful in winning the contract. Suppliers regularly request detailed information on their submission in order to develop and improve their bid. However, this suggests the risk of challenge still remains high.

Procurement partnerships with other FRS's nationally are becoming more popular, particularly within the Northwest region. LFRS are currently working with all Northwest Fire Services on joint procurement projects which are independent from the national framework. LFRS will continue to work with their northwest partners and services nationally to further promote collaboration.

At present there are five suppliers of standard B type fire appliances. The majority of these have diversified their business into other markets which creates more business stability as the fire market for vehicles is small in comparison to other transport industries. Operational Equipment and

Personal Protective Equipment (PPE) is a similar trend. The choice of suppliers is quite restricted particularly for products such as ladders with long product life cycles means that sale volumes are low which stagnates the market.

LFRS will continue to develop shared working with other FRS's on framework agreements and/or independent European procurement processes that provide value for money.

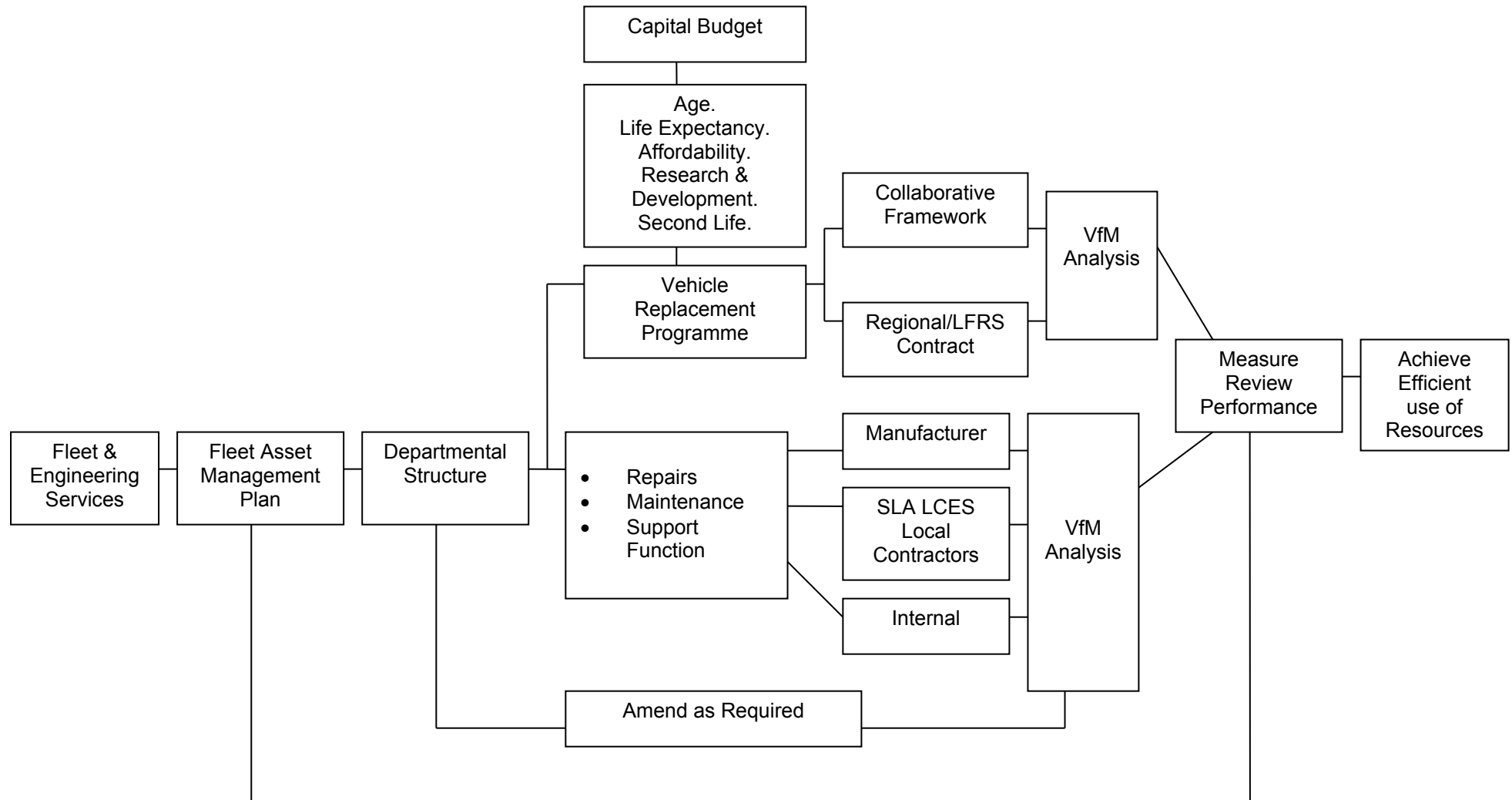
14 CHANGING APPLIANCE DESIGN

The most recent changes to fire appliance purchases over the last three years have been in the Daf chassis. Since the introduction of Euro Six engines, manufacturers have developed vehicle braking systems, electronic control and stability systems, all of which improve vehicle handling and overall safety particularly for vehicles used in arduous conditions or on long distance journeys.

The Daf chassis still remains a high performing product in terms of reliability, durability and suitability for fire service activities. The only restriction for the Daf product is crew cab options. The current Ziegler crew cab still remains fit for purpose. New European safety standards for newly designed crew cabs were introduced in January 2017. Albeit the standard does not apply to products designed before that date, there may be potential market changes ahead. LFRS will undertake research on alternative crew cabs and chassis options to prepare for the potential to change vehicle type.

FRS's are still exploring the concept of rapid response units that deal with small incidents such as vehicle and rubbish fires as part of a wider future firefighting project. The appliance specification is generally based on a 4x4 pick-up fitted with bespoke body, or a standard panel van. Both options are equipped with high pressure water systems commonly known as fogging units. Some FRS have introduced a medium sized (10 tonne) appliance with higher pumping and equipment stowage capacities. This option is deemed to be a more suitable option to suit a wider operational response. LFRS will consider these options in future reviews of asset design and deployment.

15 ASSET MANAGEMENT REPLACEMENT STRATEGY



16 FLEET AND ENGINEERING SERVICES DEPARTMENT

Fleet and Engineering Services (FES) have been responsible for all aspects of asset management since November 2012 following a restructure. The department now has full responsibility for product research, design, development, procurement, maintenance and disposal of all vehicle, operational equipment, Personal Protective Equipment (PPE) and breathing apparatus assets used for firefighting. The department is also responsible for the management of 9,000 Hydrants adopted across the County for the purpose of firefighting activities. A summary of responsibilities are listed below:

- Asset research, design and development
- Financial management
- Procurement of all operational assets
- Legal compliance of operational assets, technical advice and use
- Planned maintenance programme
- Asset maintenance, modification and accident repairs
- Asset register
- Maintenance of Breathing Apparatus
- Maintenance of adopted roadway Hydrants
- Performance management and review
- Insurance administration
- Fuel purchases and stock control
- Officers lease car scheme

The FES team provide professional advice to internal and external customers on all aspects of Asset Management Policy and Operational Requirements with regard to the above. FES are committed to adopting “LEAN” processes which deliver effective and efficient service to meet “customer’s needs” and achieve financial savings that contribute to the organisation’s medium and long term financial strategy.

FES have successfully reduced staff costs over previous years through natural wastage. Examples of this are, reducing from 12 to 9 full time staff, (25% reduction). This objective has been achieved in response to budget pressures at that time. Since the restructure FES managed a further reduction within the staff that transferred from 10 to 8 staff (20% reduction) and still successfully maintained the same level of service delivery.

LFRS continually move through a change programme through the delivery Integrated Risk Management and Annual Service plans. Through this process FES will also continue to implement change, monitor performance and adapt as

necessary to ensure overall service and financial objectives are achieved.

17 ASSET MANAGEMENT SYSTEMS

LFRS strive to continuously improve IT systems through replacement and modernisation programmes. In addition to Tranman asset management, the ICT Department move forward with the implementation of their ITC strategy refresh or replace systems to improve departmental performance. such as Wide Area Network, Poris (Risk Information), Home Fire Safety Check and introduction of I-Pads.

In a constantly changing environment, accurate financial and performance monitoring of business activities demands new technology to meet service and customer needs. The new Tranman Asset Management system is capable of managing vehicles, operational equipment, breathing apparatus, on station checks, workshop maintenance, stock management, specialist administration functions and asset capability for regional control activities. The Tranman system will continue to be developed to meet current and future needs as they arise.

LFRS and Merseyside FRS have successfully completed a tender process to purchase a new fuel management system called Fueltek FMO. This system is widely used throughout the transport industry including several Local Authorities. The purpose of this investment is to rebuild the infrastructure of fuel stocks which in-turn strengthens LFRS Business Continuity Plan.

LFRS are dependent on Lancashire County Council (LCC) Repair and Maintenance Programme (RAMP) for job costing and financial performance. The Service Level Agreement (SLA) in place with LCC will need to be market tested in the future. Should an alternative maintenance provider be chosen LFRS are at risk of losing vital skills, information and a key asset management system. Therefore, the introduction of the Tranman Asset Management system, which has the job costing, stock control and performance management modules available, will mitigate this risk.

Hydrants are managed through a system called Fire Hydrant Management System (FHMS) which is a new system in the water management market. FHMS has been developed to integrate with Mobile Data equipment carried on appliances. The database retains detailed information on hydrant type, location, condition and repair history and water flow rate. This along with other risk based

information can be accessed by operational crews whilst at incidents, which represents a significant improvement to service delivery. The system still has potential for further development and this area of work will be included in the Departmental Improvement Plan and carried out in conjunction with the ITC department and the systems provider 3TC.

18 ACCIDENTS AND ROAD SAFETY

LFRS monitor vehicle and equipment accidents through robust procedures and report performance to the Health and Safety Group on a quarterly bases. A proactive approach is taken in supporting Service Delivery Managers to thoroughly investigate incidents, implement control measures and reinvest in training were necessary to improve performance.

The above methodology has generated a steady improvement over the past three years in managing road risk to a reasonable level. An example of this is vehicle accidents reducing from 84 in 2011 to 42 in 2014, a reduction of 50%. This level of performance continued to be maintained over the past three years to date.

Fleet and Engineering Services remain committed to improving performance by reducing accidents related to vehicles and equipment use, improving health and safety at work, road safety and minimising impact on the environment in addition to reducing costs.

19 MAINTENANCE OF VEHICLES AND EQUIPMENT

LFRS have a Service Level Agreement in-place with Lancashire County Council Fleet Management Unit, a department of Lancashire County Council. The Dept. provide a comprehensive maintenance and repair service for vehicles and equipment. Engineering staff are licensed under the Institute of Road Transport Engineers Certification scheme (ITREC). This scheme involves skills assessment test on a three yearly cycle to evidence individual's competency. LCC are accredited to ISO9000 & ISO9001 for Quality Standards, OHSAS18001 for Health and Safety Standards and achieved Investors In People (IIP) status. LCC are a member of the Association of Public Service Excellence (APSE) and regularly benchmark their vehicle maintenance costs through this network of members to measure their competitiveness in the market. In addition to their in-house fleet, LCC also provide maintenance service to other district

authorities in the County through an SLA which evidences strong partnership working.

Vehicle maintenance is aligned to the regulations set by the Department of Transport and the Driver and Vehicle Standards Agency (DVSA). LFRS strive to achieve a high standard of maintenance commensurate to the fire service industry to ensure that no vehicle falls below the minimum requirement for roadworthiness when in operational service.

LFRS in-house Engineers maintain complex specialist equipment in-line with Provision and Use of Work Equipment Regulations 1998 (PUWER) and Lifting Operations and Lifting Equipment Regulations 1998 (LOLER) to achieve legal compliance set by Health and Safety legislation. This service extends to Breathing Apparatus. In addition to LOLER and PUWER, the equipment is subject to compliance with other legislation specific to compressed air and high pressure vessels.

Both external and internal maintenance functions will be benchmarked to establish value for money and competitiveness within the market.

20 STRUCTURE AND RESPONSIBILITIES

The Head of Fleet and Engineering Services has responsibility for the department's performance specific to financial and service delivery. Equipment and Vehicle Assets are divided across two sections (see Appendix H). Both sections liaise closely on asset procurement, maintenance, design, development, and disposal issues to ensure the most economic processes are followed.

The Technical Services Manager has responsibility for the Technical Logistics Officer, two Specialist Administration Officers for Systems and Finance and Procurement, BA Service Manager, three Equipment & BA Engineers and two Driver Handy Persons. The section manages planned and non-planned maintenance undertaken by contractors, develops product specifications and provides professional advice on the law and health and safety matters related to vehicle operations. The fleet consists of 224 vehicles.

The Operational Equipment Officer has responsibility for the Watch Manager, the Commissioning Engineer and three Hydrant Technicians. The section manages all aspects of procurement, research and development of operational equipment, including Breathing Apparatus, hydrant maintenance, repair and new

installations. They also provide professional advice on use, the law and health and safety matters related to these assets.

To support business continuity a small team of casual staff has been established to cover transport logistics, equipment and hydrant maintenance during times of leave, sickness absence or periods of increased workload.

The department continually strives to develop service provision. Relocating staff from SHQ to merge two workshops into one at Training Centre has been fundamental to improving service delivery. Staff have gone through a training programme to become multi skilled and the team are now responsible for all aspects of maintenance on specialist operational equipment, such as breathing apparatus, hydraulic RTC and technical rescue equipment and a wide variety of firefighting equipment including engine driven units.

A business case has been put forward to build a new workshop facility at TOR. This investment will create further opportunities to improve service delivery and generate savings. The new facility will create scope to centralise reserve assets, and to also provide additional workspaces for Asset Management functions to take place.

The drive for continuous improvement and Lean methodology leads to a further review of staff structure, location and working practices. Centralising staff resource as described above has yielded tangible benefits. The next structure review will focus on four key areas of service improvement which are;

- Develop the fleet section to improve asset management controls whilst maintaining quality, competitiveness and compliance.
- Develop the equipment section to improve introduction of assets fit for purpose into service and delivery technical training.
- Develop workshop maintenance facilities to be more effective in operating practices and be efficient on operating costs.
- Develop vehicle and equipment assets to meet changes associated to techniques and practices identified through Research and Development.

Over the past three years FES have successfully generated savings through a structured change plan. However, the current financial climate and future austerity measures will continue to apply

economic pressures on all LFRS departments to generate further savings to meet LFRS financial savings plan. With this in mind, FES will rise to the challenge of modernisation and as a support service a positive attitude on the direction of travel towards increased collaboration will be embraced.

21 EXTERNAL RESOURCES

LCC continue to provide the maintenance function to LFRS based on the Service Level Agreement which both parties review each financial year. The SLA also includes a 24/7 out of hour's service. Overall LCC provide a high level of service delivery on all aspects of vehicle maintenance at a competitive price. Within any year LFRS will utilise other maintenance providers listed on their Business Continuity Plan (BCP) to market test LCC costs and performance. This practice sustains a strong commercial relationship between client and contractor and the focus is to achieve one of LFRS key priorities; value for money.

It is essential that LFRS maintain a robust BCP to support the maintenance function delivered by LCC. Given the complexity of specifications, vehicle manufacturers are a key partner to supporting the BCP. However, it is important to introduce other local contractors to form part of the BCP. By using their services to market test LCC costs create a practice of testing BCP resilience and performance.

LFRS and LCC continue to work closely on managing maintenance costs to ensure value for money is achieved for the purpose of;

- Achieving efficiency savings
- Measuring competitiveness
- Maintaining quality and reliability

Balancing resource against available workload is equally important. Therefore, maintaining that balance against a reducing asset base and funding will be a priority in order to secure a successful long term partnership.

22 PERFORMANCE INDICATORS

Benchmarking against key performance indicators is well established in District, Unitary and County Council organisations. Members of the Association of Public Services Excellence (APSE) forum publish a document on performance measures that evidences comparisons on maintenance costs and contract hire rates for a variety of specialist vehicles.

Fire Services appear to be less proactive on benchmarking fleet management and vehicle maintenance KPI's. That said, many have employed consultants to carryout reviews on internal management and maintenance functions to establish their performance.

The previous FAMP reported on a set of KPI's developed by Fire Services in the Northwest Technical Officer Group (NWTOG). Those KPI's will be refreshed next year to reflect the 2017/2018 financial year performance. The following KPI's have been selected to measure performance;

- Vehicle downtime or availability
- Appliance maintenance cost
- Safety inspections on time
- No of vehicle accidents
- Average age profile

LFRS generally perform well within the group and the current performance is;

- Appliance Availability 100% - 7 Reserve Vehicles ensure 58 operational appliances are available.
- Appliance Maintenance £5.2k against £5.6k budget. 2015 budget was £7.4k. 24% saving against 2015 budget
- Safety Inspections on 98%
- Vehicle Accidents = 42
- Age profile = 7 years over a 12 year life cycle.

The KPI's are modelled against private sector industry dealerships such as, Daf, Volvo, Mercedes products. It is therefore deemed to be a realistic measure to apply and compare. For example the £5.2k maintenance cost compares well against a "Chassis only" contract maintenance rate between £3.7k to £4.2k offered by a dealership. The difference (£1.2k average) would fund maintenance for the body and ancillary equipment.

23 IMPROVEMENT PROGRAMME

A service improvement programme was developed through a SWOT analysis for each section within the department. Staff engagement was crucial to this process as clear and wide ranging objectives were identified. These objectives fall into four key areas of business activity which are;

Customer

- Build a stronger working relationship and deliver customer requirements.
- Work closely with Service Delivery on developing future firefighting assets and practices used.

Finance

- Generate efficiency savings in-line with LFRS financial planning process.
- Maintain a healthy and affordable asset re-investment plan.

Systems

- Implement a new asset management system to improve control and utilisation of assets employed.
- Continue to adopt Lean Processes and methodology to achieve efficiencies and effective productivity.

Growth

- Invest in staff, ensure they are trained appropriately to deliver a quality service that meets customer's expectations.
- Develop opportunities to partnership or share services with other government bodies on delivering service to the community. Shared services may be an option?

24 CUSTOMER AND MARKET CHANGES

USAR

Replacement and maintenance of USAR assets still remains the responsibility of Home Office. Since ownership transferred late in 2011, LFRS became responsible for costs generated through damage or loss. To date LFRS have not incurred any significant charges since this policy commenced. The current policy on asset replacement or refresh is based on two principles, uneconomic repair and changes in operational capability. There are no lifecycles applied to any asset, therefore obsolescence will be another driver for replacement.

The long term sustainability of USAR assets remains unknown. Austerity measures are likely to impact in the future and therefore utilisation of assets will be a key factor to determine whether FRS's retain, reduce or absorb elements of this investment into the main fleet. Future Emergency Cover Reviews will take account of asset deployment and with ongoing budget pressures, LFRS will ensure that no over provision or duplication exists. Examples of consolidating service functions are rope rescue, heavy lifting and animal rescue.

LFRS will strive to achieve the best provision of capability, use and affordability from all USAR assets employed. However, in-light of the issues noted, particularly on life cycles, there remains an

element of risk with the USAR function which will need to be carefully monitored.

RESEARCH AND DEVELOPMENT

Research and development (R&D) is now recognised by Fire and Rescue Services nationally as an important function. Given the complexity of assets employed and the technical and specialist skills required to deliver an efficient and effective emergency response service, it is paramount that sufficient resource and funding is available for reinvestment. LFRS are fully committed to organisational development and the need for investment, which is evidenced earlier in the report by the assets recently introduced.

In 2017 a National R&D group was created and tasked to create various work streams and identify key priorities which are,

- Body worn CCTV
- Breathing Apparatus Communications
- Battery RTC Tools

Technical Officers in the Northwest FRS will be investing more time on R&D matters and will work more closely with the National Group on the above priorities.

In addition to the national priorities the NW R&D group will progress work streams related to planned asset replacement and other projects where collaboration opportunities arise such as,

- Review ladder Policy and Specification
- Replace Command Support Units
- Replace Breathing Apparatus and Telemetry Equipment

As LFRS continue to move forward with the review and development of the next Integrated Risk Management Plan, further areas of change will be highlighted and may well fall within the R&D reference.

£351,200 savings has been generated over the previous years as a direct result of strong financial management. As the thrust of austerity measures continues to be a key focus, FES will continue to review operating costs and service provision to support the organisation in achieving long term objectives set within the financial planning cycle.

The Department continually seeks structured feedback on its performance. Customer evaluation and feedback mechanisms are now embedded, and department representatives regularly engage with Service Delivery through Operational Strategic and Task Group forums, and Area Designated Group Manager meetings to monitor the quality of services delivered. This demonstrates Fleet and Engineering Services' commitment to continuous improvement and desire to provide the highest standards for an asset management service within affordable limits.

25 REVIEW

This is the fourth FAMP which will be reviewed and progress reported as part of the three yearly planning cycles.

Fleet and Engineering Services scrutinise revenue budget performance each financial year to ensure realistic and achievable targets are set. Financial performance is monitored monthly and strict control or actions are implemented to ensure overall performance falls within budget. A total of



Vehicle Information	
Vehicle Type	DAF LF55.250 Pump Ladder Rescue / DAF LF260 Water Rescue Unit
Year of Introduction	2016
Number in Fleet	15
Engine Detail	6700cc : 250 / 260bhp Euro VI
Specification	As per previous vehicles, but with Emergency and Adaptive Braking, Lane Change Warning and Vehicle Electronic Stability Programme.
Special Features	Above Tank Ladder Stowage, and Roof Stowage Boxes.
Vehicle Weight	16 tonnes



Vehicle Information	
Vehicle Type	DAF LF55.250 Pump Ladder / Water Rescue Unit
Year of Introduction	2011
Number in Fleet	31
Engine Detail	6692cc : 250bhp Euro IV / 6693cc : 250bhp Euro V
Specification	Air Suspension, All round disc brakes, Continuously Regenerating Trap (CRT) Exhaust for greatly reduced emissions, Godiva Prima Series Pump with Piston Primers
Special Features	Vertical Shelving and central beam gantries, plastic body
Vehicle Weight	16 tonnes



Vehicle Information	
Vehicle Type	DAF LF55.250 Pump Ladder / Water Rescue Pump
Year of Introduction	2004
Number in Fleet	22
Engine Detail	5880cc : 250bhp Euro III / 6692cc : 250bhp Euro IV
Specification	Air Suspension, All round disc brakes, Continuously Regenerating Trap (CRT) Exhaust for greatly reduced emissions, Hale World Series Pump with Water Ring Primers
Special Features	Introduced to replace the Daf 55 Series. Longer Wheelbase for increased locker/stowage space, Intellitec electrical system, integral retarder with engine brakes, 3 point seat belt for increased crew safety
Vehicle Weight	15 tonnes



Vehicle Information	
Vehicle Type	Aerial Ladder Platform Volvo FM11
Year of Introduction	2016
Number in Fleet	2
Engine Detail	10837cc : 370bhp Euro VI
Specification	32 Metre Reach
Special Features	Rear steering axle and improved water tower capability
Vehicle Weight	26 tonnes



Vehicle Information	
Vehicle Type	Aerial Ladder Platform Volvo FM12 (1 FM9)
Year of Introduction	2000
Number in Fleet	3
Engine Detail	12130cc : 340bhp (9364cc:340bhp)
Specification	32 Metre Reach
Special Features	High Reach Platform and a Rescue Ladder combined, remote control water monitor capable of 1,000 litres per minute. Variable Jacking which allows improved working envelope in restricted areas. Remote Video recording system
Vehicle Weight	26 tonnes



Vehicle Information	
Vehicle Type	Incident Response Unit (New Dimension) MAN TGA26.363
Year of Introduction	2003
Number in Fleet	1
Engine Detail	10,000cc : 363bhp
Specification	Automatic Gearbox
Special Features	Under slung Forklift Truck
Vehicle Weight	26 tonnes



Vehicle Information	
Vehicle Type	New Dimension MAN TGA26.363
Year of Introduction	2004
Number in Fleet	6
Engine Detail	10,000cc : 363bhp
Specification	Automatic Gearbox
Special Features	Demountable Pod system via Multilift Hook Equipment
Vehicle Weight	26 Tonnes



Vehicle Information	
Vehicle Type	Fiat Ducato Command Unit (Mobile Fire Station)
Year of Introduction	2009
Number in Fleet	2
Engine Detail	3 litre 160 bhp
Specification	FAME Minimax 3 axle geodetic space frame chassis.
Special Features	Introduced to replace both the Incident Support Units and Control Unit the vehicles are highly sophisticated and features include Satellite Broadband Internet connection, 4 On-board computers, internally and externally visible Plasma TV screens for use in Command Support and Community Education.
Vehicle Weight	6.5 tonnes



Vehicle Information	
Vehicle Type	DAF LF55 Series Prime Mover
Year of Introduction	2010
Number in Fleet	2
Engine Detail	6692cc : 250hp
Specification	Automatic Gearbox and Air Suspension Third axle fitted for improved stability
Special Features	Demountable pod system via multilift hook equipment
Vehicle Weight	22.5 tonnes MAM



Vehicle Information	
Vehicle Type	Softrak All-Terrain Vehicle
Year of Introduction	2008
Number in Fleet	1
Engine Detail	Lombardini 2199cc : 65.3hp
Specification	Fully hydrostatic 2 speed drive system
Special Features	Highly manoeuvrable track vehicle. On board water tank and high pressure pump. Removable body for multi-functional uses. Can carry up to 6 Fire-fighters.
Vehicle Weight	2.9 tonnes



Vehicle Information	
Vehicle Type	Polaris Ranger All-Terrain Vehicle
Year of Introduction	2012
Number in Fleet	1
Engine Detail	760cc : 40bhp
Specification	6x6 Off Road Wildfire Unit
Special Features	Demountable fire fogging system with water tank
Vehicle Weight	1 tonne



Vehicle Information	
Vehicle Type	DAF LF55.250 Driver Training Vehicle
Year of Introduction	2007
Number in Fleet	2
Engine Detail	5880cc : 250bhp Euro III
Specification	Air Ride Suspension, Water Tanks to enable vehicle to be loaded to simulate weight of a Fire Appliance.
Special Features	Air Conditioning, Larger Cab Area, Road/Student Camera monitoring system with playback. Replaced 55 Series Vehicle to reflect changing Operational fleet.
Vehicle Weight	15 tonnes



Vehicle Information	
Vehicle Type	Toyota Hilux
Year of Introduction	2008
Number in Fleet	5
Engine Detail	2494cc : 106kw
Specification	Double-Cab 4WD
Special Features	Truckman Top
Vehicle Weight	3.02 tonnes



Vehicle Information	
Vehicle Type	Ford Ranger XL
Year of Introduction	2016
Number in Fleet	7
Engine Detail	2198cc TDCi Duratorq : 158hp
Specification	Double-Cab 4x4
Special Features	Carryboy Truck Top
Vehicle Weight	3.2 tonnes



Vehicle Information	
Vehicle Type	Vauxhall Vivaro Double-Cab MPV
Year of Introduction	2007
Number in Fleet	7
Engine Detail	1995cc Diesel
Specification	Air Conditioning
Special Features	Combination vehicle comprising of a 6 Seat Crew Bus and Load Area for Carrying Equipment
Vehicle Weight	2.9 tonnes



Vehicle Information	
Vehicle Type	Volkswagen Crafter CR50 Rescue Team Van
Year of Introduction	2010
Number in Fleet	2
Engine Detail	1968cc : 163PS
Specification	Crew Bus 6 seats
Special Features	Rope Rescue Team transport
Vehicle Weight	5.0 tonnes



Vehicle Information	
Vehicle Type	Equipment Maintenance Vehicle
Year of Introduction	2013
Number in Fleet	1
Engine Detail	2.2 litre : 155PS
Specification	Drop side body
Special Features	Slim Jim Tail Lift
Vehicle Weight	3.5 Tonnes



Holmatro Dedicated Core Cutter '3035'

Introduced in 2010

63 Items in Service

Working Hydraulic Pressure of 10,500 PSI (720 bar) and a Cutting Force of 30 tonnes.



Holmatro Dedicated Core Spreader '3240'

Introduced in 2010.

42 Items in Service

Working Hydraulic Pressure of 10,500 PSI (720 bar) and a Spreading Force of 14 tonnes.

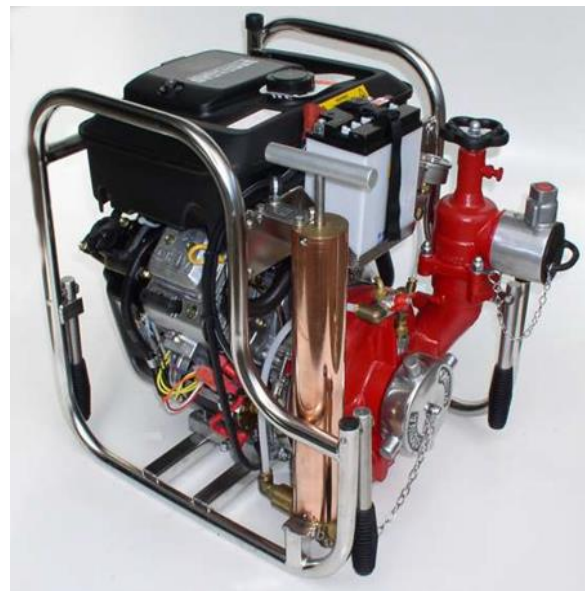


Paratech Vehicle Stabilisation Strut

Introduced in 2017

120 Items in Service (60 pairs)

Weight Capacity of 9,000kg.



Godiva Powerflow Light Portable Pump (LPP)

Introduced in 2000.

14 Items in Service

570cc Petrol Engine. Maximum Flow of 1400LPM @ 3 bar.



Dräger PSS7000 Self Contained BA Set

Introduced in 2008.

353 Items in Service

Breathing Apparatus set used in high risk and dangerous environments



Delta 'Attack' Fog Spike

Introduced in 2017.

58 Items in Service.

Pierces material to deliver water mist which cools compartment fire



Scott Eagle Attack Thermal Imaging Camera

Introduced in 2012.

64 Items in Service.

Fitted with Variable Temperature Sensor. Has Record and Download Facility.



Technical Rescue Jacket

To be Introduced in 2018.

Ergonomically designed waterproof jacket, heat, flame and chemical resistant .

APPENDIX 'A'

VEHICLE TYPE PROFILE REPORT (live fleet as at 10.11.17)

ITEM	MAIN FLEET	TRAINING CENTRE	PRINCES TRUST	NEW DIMENSION	TOTALS
OPERATIONAL VEHICLES					
PUMPING APPLIANCE	71	-	-	-	71
SUB-TOTAL	71	0	0	0	71
SPECIAL VEHICLES = 19					
AERIAL LADDER PLATFORM	5	-	-	-	5
PRIME MOVER	2	-	-	6	8
DEMOUNTABLE BODIES	8	-	-	8	16
INCIDENT RESPONSE UNIT	-	-	-	1	1
COMMAND UNIT	2	-	-	-	2
BEAVERTAIL LORRY	1	-	-	-	1
ALL TERRAIN VEHICLE	2	-	-	-	2
SUB-TOTAL	20	0	0	15	35
NON-OPERATIONAL VEHICLES					
TRAINING APPLIANCES	-	4	-	-	4
DRIVER TRAINING VEHICLE	-	2	-	-	2
SUB-TOTAL	0	6	0	0	6
SUPPORT VEHICLES					
CAR – SMALL	15	-	-	-	15
CAR – MEDIUM	28	1	-	-	29
CAR – LARGE	3	-	-	-	3
RESCUE TEAM VAN	3	-	-	-	3
VAN - SMALL	3	-	-	-	3
VAN – MEDIUM	1	-	-	-	1
VAN – LARGE	8	1	3	-	12
MULTI-PURPOSE VEHICLE	9	1	-	-	10
PICKUP 4x4	13	-	-	-	13
MINIBUS	-	1	10	-	11
SUB-TOTAL	83	4	13	0	100
OTHER FLEET ITEMS	8	3	0	1	12
TOTAL	182	13	13	16	224

APPENDIX 'B'

ORIGINAL REPLACEMENT PLAN – VEHICLE NUMBERS. BASED ON APPROVED LIFE (FROM DATE IN SERVICE).

Type	Total No	Replacement Value £	Approved Life	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031	2031/ 2032	2032/ 2033
Pumping Appliance	65	205,000	12		4	6			3	3	8	15	5		10	11	4	6	
Water Tower		484,000	12																
Command Unit	2	290,000	10	2										2					
Aerial Ladder Platform	4	590,000	15	1		1													2
Driver Training Veh	2	110,000	8	2								2							
GP Lorry	1	43,500	12		1												1		
Prime Mover	2	100,000	12					2											
POD (Demountable Body)	8	27,500	20	2	1									1		2	1		
ATV – Softrak	1	83,000	12				1												1
ATV – Polaris	1	14,000	10					1										1	
ATV – Small	13	11,500	6		4	3			6		4	3			6		4	3	
Car – Medium	23	15,000	6	4	6	4	1	8		4	6	4	1	8		4	6	4	1
Car – Large	3	17,500	6				2		1				2		1				2
MPV	9	16,000	6		1	3	1		2	2	1	3	1		2	2	1	3	1
Van – Small	2	13,500	6	1					1	1					1	1			
Van – Large	9	26,500	7	2			1	1	2	2	3			1	1	2	2	3	
Van – Large (Crew Conversion)	3	33,000	9			1	2								1	2			
Catering Unit	1	35,000	10	1										1					
Minibus	1	25,000	5						1					1					1
Pick-Up	12	22,000	12				1			4					1	6			1
Dog Van (USAR)	1	16,000	6		1						1						1		
Telescopic Handler	1	43,000	15										1						
Total cost of vehicles per yr	164			15	18	18	9	12	16	16	23	27	10	14	23	30	20	20	9

ORIGINAL REPLACEMENT PLAN – EXPENDITURE. BASED ON APPROVED LIFE (FROM DATE IN SERVICE).

Type	Total No	Replacement Value £	Approved Life	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031	2031/ 2032	2032/ 2033
Pumping Appliance	65	205,000	12		820,000	1,230,000			615,000	615,000	1,640,000	3,075,000	1,025,000		2,050,000	2,255,000	820,000	1,230,000	
Water Tower		484,000	12																
Command Unit	2	290,000	10	580,000										580,000					
Aerial Ladder Platform	4	590,000	15	590,000		590,000													1,180,000
Driver Training Veh	2	110,000	8	220,000								220,000							
GP Lorry	1	43,500	12		43,500												43,500		
Prime Mover	2	100,000	12					200,000											
POD (Demountable Body)	8	27,500	20	55,000	27,500									27,500		55,000	27,500		
ATV – Softrak	1	83,000	12				83,000												83,000
ATV – Polaris	1	14,000	10					14,000										14,000	
Car – Small	13	11,500	6		46,000	34,500			69,000		46,000	34,500			69,000		46,000	34,500	
Car – Medium	23	15,000	6	60,000	90,000	60,000	15,000	120,000		60,000	90,000	60,000	15,000	120,000		60,000	90,000	60,000	15,000
Car – Large	3	17,500	6				35,000		17,500				35,000		17,500				35,000
MPV	9	16,000	6		16,000	48,000	16,000		32,000	32,000	16,000	48,000	16,000		32,000	32,000	16,000	48,000	16,000
Van – Small	2	13,500	6	13,500					13,500	13,500					13,500	13,500			
Van – Large	9	26,500	7	53,000			26,500	26,500	53,000	53,000	79,500			26,500	26,500	53,000	53,000	79,500	
Van – Large (Crew Conversion)	3	33,000	9			33,000	66,000								33,000	66,000			
Catering Unit	1	35,000	10	35,000										35,000					
Minibus	1	25,000	5						25,000					25,000					25,000
Pick-Up	12	22,000	12				22,000			88,000					22,000	132,000			22,000
Dog Van (USAR)	1	16,000	6		16,000						16,000						16,000		
Telescopic Handler	1	43,000	15										43,000						
Total cost of vehicles per yr	164			1,606,500	1,059,000	1,995,500	263,500	360,500	825,000	861,500	1,887,500	3,437,500	1,134,000	814,000	2,263,500	2,666,500	1,112,000	1,466,000	1,314,000

AGE PROFILE IN YEARS (ALL VEHICLES).

PUMPING APPLIANCES

DESCRIPTION	VEHICLE IN YEAR # OF LIFE																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Appliance – 52 reg															4	2	
Appliance – 53 reg														1			
Appliance – 04 reg												1					
Appliance – 55 reg												5					
Appliance – 06 reg											3	3					
Appliance – 56 reg											6						
Appliance – 09 reg							3										
Appliance – 61 reg						6											
Appliance – 62 reg					10												
Appliance – 13 reg				3	7												
Appliance – 63 reg			5														
Appliance – 65 reg		5															
Appliance – 16 reg	2	3															
Appliance – 17 reg	5																
TOTAL	7	8	5	3	17	6	0	3	0	0	9	9	0	1	4	2	0

Includes 4 training appliances based @ Service Training Centre.

PUMPING APPLIANCE WATER TOWER

DESCRIPTION	VEHICLE IN YEAR # OF LIFE																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
MAN TGM – 66 reg	1																
TOTAL	1	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0

AERIAL LADDER PLATFORMS

DESCRIPTION	VEHICLE IN YEAR # OF LIFE																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Volvo Bronto – W reg																	
Volvo Bronto – 04 reg														1			
Volvo Bronto – 16 reg	2																
TOTAL	2	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0

COMMAND UNITS

DESCRIPTION	VEHICLE IN YEAR # OF LIFE																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Fiat Ducato – 60 reg							1										
Fiat Ducato – 11 reg					1												
TOTAL	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0

PRIME MOVERS

DESCRIPTION	VEHICLE IN YEAR # OF LIFE																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
DAF LF55 – 09 reg								1	1								
TOTAL	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0

NEW DIMENSIONS

DESCRIPTION	VEHICLE IN YEAR # OF LIFE																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
MAN I.R.U. – 53 reg													1				
MAN Prime Mover – 54 reg											1	5					
TOTAL	0	0	0	0	0	0	0	0	0	0	1	5	1	0	0	0	0

DRIVER TRAINING VEHICLES

DESCRIPTION	VEHICLE IN YEAR # OF LIFE																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
DAF LF55 – 56 reg											2						
TOTAL	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0

PICK-UP TRUCKS

DESCRIPTION	VEHICLE IN YEAR # OF LIFE																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Toyota Hilux – 58 reg									1								
Toyota Hilux – 11 reg						1	3										
Isuzu Rodeo – 60 reg							1										
Ford Ranger – 16 reg		1															
Ford Ranger – 17 reg	6																
TOTAL	6	1	0	0	0	1	4	0	1	0	0	0	0	0	0	0	0

CARS

DESCRIPTION	VEHICLE IN YEAR # OF LIFE																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Vauxhall Astra – 08 reg										2							
Ford Fiesta – 59 reg								2									
Ford Focus – 60 reg								5									
Ford Focus – 61 reg						3											
Ford Focus – 12 reg						6											
Volkswagen Up – 62 reg					4												
Volkswagen Up – 63 reg					3												
Ford Focus – 63 reg				4													
Ford Focus – 14 reg				1													
Ford Mondeo – 64 reg			2														
Vauxhall Astra – 15 reg			7														
Ford Focus – 16 reg		1															
Ford Fiesta – 16 reg		5															
Ford Kuga – 16 reg		1															
Ford Fiesta – 66 reg		1															
TOTAL	0	8	9	5	7	9	0	7	0	2	0	0	0	0	0	0	0

MPV's

DESCRIPTION	VEHICLE IN YEAR # OF LIFE																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Vauxhall Vivaro – 08 reg										2							
Vauxhall Vivaro – 61 reg						2											
Vauxhall Vivaro – 13 reg					3												
Transit Custom – 14 reg				1													
Transit Custom – 16 reg		2															
TOTAL	0	2	0	1	3	2	0	0	0	2	0	0	0	0	0	0	0

VAN - LARGE

DESCRIPTION	VEHICLE IN YEAR # OF LIFE																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
LDV Maxus – 05 reg										1							
LDV Maxus – 55 reg										1							
Vauxhall Vivaro – 10 reg								1									
VW Crafter – 10 reg							1										
Vauxhall Movano – 11 reg						1											
VW Crafter – 12 reg						1											
Ford Transit – 62 reg					1												
VW Crafter – 63 reg				1													
Ford Transit – 15 reg		2															
VW Crafter – 66 reg	2																
TOTAL	2	2	0	1	1	2	1	1	0	2	0	0	0	0	0	0	0

VAN – LARGE (CREW CONVERSION)

DESCRIPTION	VEHICLE IN YEAR # OF LIFE																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
VW Crafter – 10 reg								1									
Iveco Daily – 11 reg							1										
VW Crafter – 61 reg						1											
TOTAL	0	0	0	0	0	1	1	1	0	0	0	0	0	0	0	0	0

VAN - SMALL

DESCRIPTION	VEHICLE IN YEAR # OF LIFE																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Vauxhall Combo – 61 reg						1											
Fiat Doblo – 62 reg					1												
Vauxhall Combo – 16 reg		1															
TOTAL	0	1	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0

MINIBUSES

DESCRIPTION	VEHICLE IN YEAR # OF LIFE																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Fiat Ducato – 57 Reg							1										
Renault Master – 08 reg								1									
Ford Transit – 62 reg	3				1												
Ford Transit – 13 reg					1												
Ford Transit – 64 reg				3													
Ford Transit – 65 reg		1															
TOTAL	3	1	0	3	2	0	1	1	0	0	0	0	0	0	0	0	0

OTHER VEHICLES

DESCRIPTION	VEHICLE IN YEAR # OF LIFE																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Catering Unit – 04 reg												1					
ND Bobcat – 56 reg											1						
Isuzu Beavertail – 07 reg										1							
Loglogic Softrak – 08 reg										1							
Polaris Ranger – 12 reg					1												
TOTAL	0	0	0	0	1	0	0	0	0	2	1	1	0	0	0	0	0

DEMOUNTABLE BODIES (POD'S)

DESCRIPTION	VEHICLE IN YEAR # OF LIFE																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Major Rescue Unit																	
Hazmat Unit											1						
General Purpose Unit																	
BA Unit								1									
Foam Unit								2									
Hose Laying Unit	1																
TOTAL	1	0	0	0	0	0	0	3	0	0	1	0	0	0	0	0	0

Info taken from Tranman fleet list 10/11/17.

REVISED REPLACEMENT PLAN – VEHICLE NUMBERS

Type	Total No	Replacement Value £	Approved Life	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033
Pumping Appliance	65	205,000	12	11	6	3	3	3	3	3	8	15	5		10	11	6	3	3
Water Tower	3	484,000	12	1		1	1									1		1	1
Command Unit	2	290,000	10	1	1									1	1				
Aerial Ladder Platform	4	590,000	15			1	1											2	
Driver Training Veh	2	110,000	8	2								2							
GP Lorry	1	43,500	12		1												1		
Prime Mover	2	100,000	12					2											
POD (Demountable Body)	8	27,500	20	1	1	1								1		2	1		
ATV – Softrak	1	83,000	12				1												1
ATV – Polaris	1	14,000	10					1										1	
Car – Small	13	11,500	6		4	3			6		4	3			6		4	3	
Car – Medium	23	15,000	6	5	5	4	1	4	4	5	5	4	1	4	4	5	5	4	1
Car – Large	3	17,500	6				2		1				2		1				2
MPV	9	16,000	6	2	1	3	1		2	2	1	3	1		2	2	1	3	1
Van – Small	2	13,500	6	1					1	1					1	1			
Van – Large	9	26,500	7	4			1		1	2	4			1		1	2	4	
Van – Large (Crew Conversion)	3	33,000	9			1	2								1	2			
Catering Unit	1	35,000	10	1										1					
Minibus	1	25,000	5	1					1					1					1
Pick-Up	12	22,000	12	6			1			4					1	6			1
Dog Van (USAR)	1	16,000	6		1						1						1		
Telescopic Handler	1	43,000	15										1						
Total cost of vehicles per yr	164			36	20	17	14	10	19	17	23	27	10	9	27	31	21	21	11

REVISED REPLACEMENT PLAN – EXPENDITURE.

Type	Total No	Replacement Value £	Approved Life	17/18 inc cfwd	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028	2028/ 2029	2029/ 2030	2030/ 2031	2031/ 2032	2032/ 2033
Pumping Appliance	65	205,000	12	2,255,000	1,230,000	615,000	615,000	615,000	615,000	615,000	1,640,000	3,075,000	1,025,000		2,050,000	2,255,000	1,230,000	615,000	615,000
Water Tower	3	484,000	12	484,000		484,000	484,000									484,000		484,000	484,000
Command Unit	2	290,000	10	290,000	290,000									290,000	290,000				
Aerial Ladder Platform	4	590,000	15			590,000	590,000											1,180,000	
Driver Training Veh	2	110,000	8	190,000								220,000							
GP Lorry	1	43,500	12		43,500												43,500		
Prime Mover	2	100,000	12					200,000											
POD (Demountable Body)	8	27,500	20	25,000	27,500	27,500								27,500		55,000	27,500		
ATV – Softrak	1	83,000	12				83,000												83,000
ATV – Polaris	1	14,000	10					14,000										14,000	
Car – Small	13	11,500	6		46,000	34,500			69,000		46,000	34,500			69,000		46,000	34,500	
Car – Medium	23	15,000	6	72,500	75,000	60,000	15,000	60,000	60,000	75,000	75,000	60,000	15,000	60,000	60,000	75,000	75,000	60,000	15,000
Car – Large	3	17,500	6				35,000		17,500				35,000		17,500				35,000
MPV	9	16,000	6	44,000	16,000	48,000	16,000		32,000	32,000	16,000	48,000	16,000		32,000	32,000	16,000	48,000	16,000
Van – Small	2	13,500	6	12,500					13,500	13,500					13,500	13,500			
Van – Large	9	26,500	7	106,000			26,500		26,500	53,000	106,000			26,500		26,500	53,000	106,000	
Van – Large (Crew Conversion)	3	33,000	9			33,000	66,000								33,000	66,000			
Catering Unit	1	35,000	10	23,500										35,000					
Minibus	1	25,000	5	30,000					25,000					25,000					25,000
Pick-Up	12	22,000	12	132,000			22,000			88,000					22,000	132,000			22,000
Dog Van (USAR)	1	16,000	6		16,000						16,000						16,000		
Telescopic Handler	1	43,000	15										43,000						
Total cost of vehicles per yr	164			3,664,500	1,744,000	1,892,000	1,952,500	889,000	858,500	876,500	1,899,000	3,437,500	1,134,000	464,000	2,587,000	3,139,000	1,507,000	2,541,500	1,295,000

OPERATIONAL EQUIPMENT REPLACEMENT SUMMARY

EQUIPMENT GROUP	TOTAL QTY	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
Ancillary	354	11	2	2	15	1	199	16	7	6	11		11		2	1		9	4
Breathing Apparatus	1378				1	423	1		3	1		1	776	33	12	5		1	
Cab	35		9		12				5	5	1	3							
Casualty Handling	250	8	70	19	21	51	8	17	14	25	6	10							
Electrical	914	90	19	14	16	152	36	74	33	30	97	24	3	7	1	1	120	3	1
Electrical Rubber Gloves	87																		
Electro-Hydraulic	8				2										2	3			
Gas Tight Suits	136	2	10	7	9	7	18	33	30		20								
Hydraulic	815	62	66	239	8	76	55	21	137	66	60	15					7		
Ladder	385	96	5	10	14	9	21	22	14	77	25	6	15	8	14	7	1	9	1
Large Animal Rescue	143	1	63	19	14	6	17	4	4		1								
Load Cell	34				11		2	2	1				1		13				3
Mechanical	427	6	2	11	21	78	53	72	9	22	128	4	4	1		5	7	1	1
Moorland	81	3			6		20	1		5	10	14					15		
PFD	308	5	15	1		61	121	6			33	66							
Pneumatic	435	5		6	9	86	17	9	2	2	18	75	46	13	10	23	26	2	8
Pollution Control	7	2			5														
PPE	559				2						212	3							
Pulling	459		24	2	2	2		1	203	49	6	12	7	5		14			
Rescue	56					15				3	38								
Rescue Pack	1687	13	219	76	896	121	24	83	61	42	86	65	1						
Sand Rescue	289				9	6	9	4	4	4	4	4	6	3	2		1		
Shoring Kit	28														27			1	
Strops and Slings	1148	22	30	152	56	74	31	46	147	77	227	111	13	79	20	58	3		
Swift Water Rescue	337	4	7	2	45	46	41	9	20	43	50		1						
Technical Rope Pack	136	6	6	2	17	10	4	8		2	70	11							
Training Aid	3							3											
Visual Aid	117	66	9	3	2	27	1			6	3								
Water	1549	9	58	13	6	50	6	1	23	78	128	27	250	20	7	46	16	18	38
Working at Height	229		6	66	9	118	8			1	21								
	12394	411	620	644	1226	1419	692	461	852	550	1255	451	1134	169	110	163	196	44	56

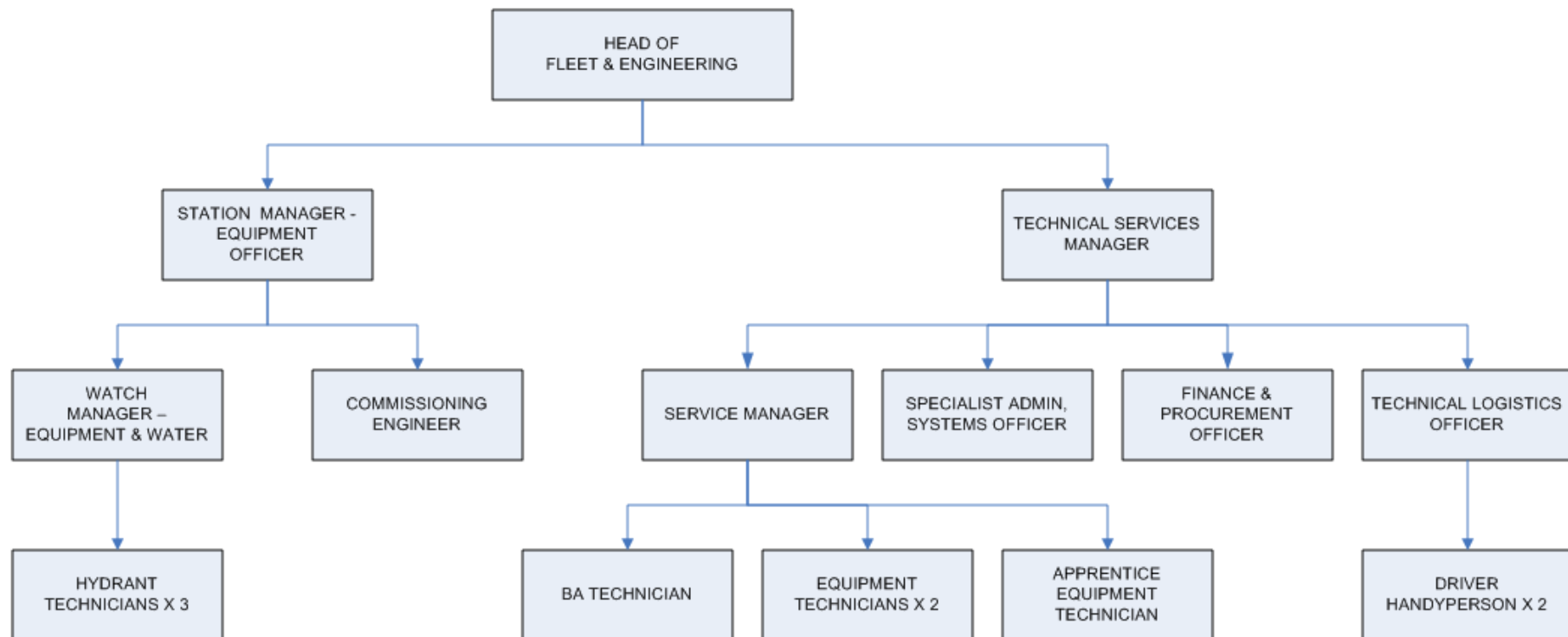
3 YEAR EQUIPMENT REPLACEMENT PLAN

EQUIPMENT TYPE	QUANTITY TO REPLACE			TOTAL COST		
	2018/ 2019	2019/ 2020	2020/ 2021	2018/ 2019	2019/ 2020	2020/ 2021
ADAPTOR			6			£300
ANGLE GRINDER	1	1		£50	£50	
ANIMAL RESCUE NET		2			£390	
BA COMPRESSOR			1			£30,000
BARIATRIC KIT	6	1		£2,652	£442	
BASKET STRETCHER HARNESS			2			£512
BATTERY CHARGER			2			£310
BICYCLE			2			£760
BINOCULARS	9	2		£1,350	£300	
BODY HARNESS	114		9	£15,564		£1,229
BRANCH – AKRON	52	1	2	£34,840	£670	£1,340
BRANCH – DELTA			3			£1,095
CABLE REEL		2			£400	
CANYON LINE			4			£625
CHAIN ASSEMBLY			4			£600
CHAIN ASSEMBLY SWIVEL HOOK			3			£450
CIRCULAR SAW		1	4		£473	£1,892
CLIMBING ROPE		1			£233	
COMBI TOOL	24			£72,000		
COTTON HALTER		15			£225	
COWTAIL	34	1		£275	£8	
CUTTERS	15	47		£30,000	£94,000	
DEFIBRILLATOR		1			£875	
DICTAPHONE			3			£150
FALL ARREST LANYARD	6	66	2	£588	£6,468	£196
FLOATING LINE			2			£200
FLOODLIGHT		4			£1,200	
FOG MAJOR	4	12	1	£1,810	£5,430	£452
FOOT PUMP		43	1		£22,446	£522
GAS TIGHT SUIT	10	7	9	£6,850	£4,795	£6,165
GENERATOR	1			£725		
GP LINE	15		1	£375		£25
GRI-GRI			2			£86
HAND HELD BLOWER			1			£100
HEAD HARNESS AND LEAD ROPE	20			£300		
HELMET			1			£25
HELMET – SRT			20			£1,520
HIGH PRESSURE AIR BAG		2			£1,816	
HIGH PRESSURE AIR BAG HOSE			6			£336
HOBBLE	14			£406		
HOSE (BLUE 1.5M)			1			£30
HOSE BECKET	2	9		£24	£108	
HYDRAULIC HOSE			2			£288
HYDRAULIC HOSE (10M CORE)			1			£510
HYDRAULIC HOSE (3M SINGLE)			2			£274
HYDRAULIC HOSE (5M SINGLE)			1			£174
HYDRAULIC TESTER			1			£4,500
JACK		1			£50	
KARABINER	5		395	£20		£1,580
LADDER – 13.5M	4	2	1	£14,808	£7,404	£3,702
LADDER – STEPLADDER		4	10		£256	£640
LADDER – TELESCOPIC		3	3		£597	£597
LADDER – TRIPLE EXTENSION	1	1		£286	£286	
LADDER RESTRAINT DEVICE			6			£150
FABRIC LANYARD			9			£1,035
WIRE LANYARD	4	1	224	£64	£16	£3,584
LED FLOODLIGHT	14	7		£952	£476	
LIGHTWEIGHT PORTABLE PUMP	2	1	4	£6,660	£3,330	£13,320
LINE LAUNCHER KIT	1		1	£1,800		£1,800
LOAD CELL			4			£6,800
LOW PRESSURE AIR BAG		4			£1,904	

EQUIPMENT TYPE	QUANTITY TO REPLACE			TOTAL COST		
	2018/ 2019	2019/ 2020	2020/ 2021	2018/ 2019	2019/ 2020	2020/ 2021
MAILLON	102	3	141	£1,020	£30	£1,410
MEGAPHONE	1			£27		
METAL DETECTOR	1			£105		
MINI CUTTER	2	41		£1,088	£22,304	
PERSONAL FLOATATION DEVICE		2	10		£206	£1,029
PETZL STOP			2			£103
PPV FAN		9	4		£11,925	£5,300
PRUSSIC LOOP	11			£33		
PUMP			6			£2,154
QUADRA			15			£1,585
QUARTZ HEATER	2			£240		
RAILWAY TROLLEY			1			£1,500
RAM SUPPORT			1			£178
RATCHET		61	5		£732	£60
RATCHET STRAP	1	61	7	£12	£732	£84
RESCUE HARNESS		72			£5,760	
RESCUE LINE			140			£13,534
RESCUE PULLEY	3		3	£114		£114
ROUNDSLING	8	7	44	£240	£210	£1,320
SAND LANCE			7			£1,400
SAND LANCE HOSE			2			£114
SAT-NAV DEVICE (TRUCK)			8			£3,200
SEA CATCH			4			£1,880
SEWN SLING	3			£21		
SHARP EDGE PROTECTION KIT	61			£1,617		
SHEPHERDS CROOK			14			£2,380
SHUNT			2			£68
SMOKE GENERATOR		1			£595	
SPINEBOARD HEAD IMMOBILISER	1	10		£60	£600	
SPINEBOARD HEAD RESTRAINT	1	1		£40	£40	
SPINEBOARD STRETCHER	1	9	9	£155	£1,395	£1,395
SPREADERS	1	41		£3,200	£131,200	
STRETCHER HARNESS		1			£125	
STRETCHER RESTRAINT	1	2	10	£110	£220	£1,100
STROP	32	19	8	£640	£380	£160
TAPE ROUNDSLING	2	2	39	£12	£12	£234
TELESCOPIC RAM	23	67		£50,600	£147,400	
THERMAL IMAGING CAMERA		1	2		£3,665	£7,330
TIRFOR WINCH ROPE	25	1	1	£5,000	£200	£200
TOOLKIT			2			£200
TRANSFORMER			7			£1,400
TRANSIT LINE		1			£156	
TRELLTENT		1			£800	
TYRE COMPRESSOR			1			£325
VACUUM (H-CLASS)			5			£2,250
WINCH			1			£300
WINCH ROPE			1			£57
	640	655	1258	£256,733	£483,335	£140,238

MANAGEMENT STRUCTURE

FLEET & ENGINEERING DEPARTMENT – NOVEMBER 2017



By virtue of paragraph(s) 2, 3 of Part 1 of Schedule 12A
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