

Public Document Pack

LANCASHIRE COMBINED FIRE AUTHORITY

Monday, 20 February 2017 in Washington Hall, Service Training Centre, Euxton commencing at 10.00 am.

Car parking is available on the Main Drill Ground.

IF YOU HAVE ANY QUERIES REGARDING THE AGENDA PAPERS OR REQUIRE ANY FURTHER INFORMATION PLEASE INITIALLY CONTACT DIANE BROOKS ON TELEPHONE NUMBER PRESTON (01772) 866720 AND SHE WILL BE PLEASED TO ASSIST.

Rooms have been made available for Political Group meetings from 0900am onwards, and tea/coffee will be available in the Canteen from 0845am.

Labour Group – Pendle Room (formerly Staff Mess 1)
Conservative Group – Lancaster House 2

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. CHAIRMAN'S WELCOME AND INTRODUCTION

Standing item.

2. APOLOGIES FOR ABSENCE

3. 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.

4. MINUTES OF PREVIOUS MEETING (Pages 1 - 26)

5. MINUTES OF MEETING WEDNESDAY, 18 JANUARY 2017 OF NORTH WEST FIRE FORUM (Pages 27 - 38)

6. MINUTES OF MEETING THURSDAY, 26 JANUARY 2017 OF AUDIT COMMITTEE (Pages 39 - 46)

7. MINUTES OF MEETING MONDAY, 30 JANUARY 2017 OF PLANNING COMMITTEE (Pages 47 - 54)

8. INTEGRATED RISK MANAGEMENT PLAN 2017-2022 (Pages 55 - 84)
9. APPOINTMENT OF EXTERNAL AUDITORS (Pages 85 - 104)
10. NEXT STEPS FOR FIRE REFORM - MINISTERIAL SPEECH - 7 FEBRUARY 2017
(Pages 105 - 116)
11. ADRIAN THOMAS' INDEPENDENT REVIEW OF CONDITIONS OF SERVICE FOR
FRS STAFF IN ENGLAND - FEBRUARY 2015 (Pages 117 - 134)
12. PAY POLICY STATEMENT FOR 2017/18 (Pages 135 - 142)
13. 'STRENGTHENING AND IMPROVING OUR RETAINED SERVICE' - RETAINED
SUPPORT OFFICERS (Pages 143 - 148)
14. TECHNICAL RESCUE (MULTI-FUNCTION) JACKETS (Pages 149 - 154)
15. TREASURY MANAGEMENT STRATEGY 2017/18 (Pages 155 - 170)
16. RESERVES AND BALANCES POLICY (Pages 171 - 182)
17. CAPITAL BUDGET 2017/18 - 2021/22 (Pages 183 - 192)
18. REVENUE BUDGET 2017/18 - 2021/22 (Pages 193 - 214)
19. MEMBER CHAMPION ACTIVITY - QUARTERLY REPORT (Pages 215 - 218)
20. FIRE PROTECTION REPORTS (Pages 219 - 224)
21. COMMUNITY FIRE SAFETY REPORTS (Pages 225 - 248)
22. MEMBER COMPLAINTS (STANDING ITEM)

Oral report.

23. DATE OF NEXT MEETING

The next meeting of the Authority will be held on Monday 24 April 2017 at 1000 hours at Washington Hall Training Centre, Euxton.

24. 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.

25. EXCLUSION OF PRESS AND PUBLIC

The Authority 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.

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Agenda Item 4

LANCASHIRE COMBINED FIRE AUTHORITY

Monday, 19 December 2016 at 10.00 am in Washington Hall, Service Training Centre, Euxton

MINUTES

PRESENT:

F De Molfetta (Chairman)

Councillors

T Aldridge	D O'Toole
A Barnes	E Oades
P Britcliffe	M Parkinson (Vice-Chair)
K Brown	N Penney
T Burns	R Shewan
C Crompton	D Smith
S Holgate	D Stansfield
F Jackson	J Sumner
M Khan	V Taylor
A Matthews	T Williams

36/16 CHAIRMAN'S WELCOME AND INTRODUCTION

37/16 APOLOGIES FOR ABSENCE

Apologies were received from: County Councillors, M Green, M Perks and J Shedwick and from Councillor Z Khan.

38/16 DISCLOSURE OF PECUNIARY AND NON-PECUNIARY INTERESTS

The Vice-Chairman, County Councillor Parkinson declared a non-pecuniary interest in relation to the Local Government Pension Scheme as he was Deputy Chairman of the Lancashire County Council Pension Fund Committee which had responsibility for the administration of the Lancashire Pension Fund.

39/16 MINUTES OF PREVIOUS MEETING HELD 19 SEPTEMBER 2016

In response to a question by County Councillor O'Toole regarding the Authority's application for four year funding, the Director of Corporate Services confirmed that the Minister had confirmed the 4 year funding settlement for all single-purpose fire authorities that had bid for this and that the Local Government Finance Settlement had been announcement the previous week.

RESOLVED: - That the Minutes of the CFA held on 19 September 2016 be confirmed and signed by the Chairman.

40/16 MINUTES OF PERFORMANCE COMMITTEE MEETING HELD ON 15 SEPTEMBER 2016

RESOLVED: - That the proceedings of the Performance Committee held on 15 September 2016 be noted.

41/16 NOTES OF STRATEGY GROUP MEETING HELD 19 SEPTEMBER 2016

RESOLVED: - That the proceedings of the Strategy Group held on 19 September 2016 be noted.

42/16 MINUTES OF RESOURCES COMMITTEE MEETING HELD 28 SEPTEMBER 2016

RESOLVED: - That the proceedings of the Resources Committee held on 28 September 2016 be noted.

43/16 MINUTES OF AUDIT COMMITTEE HELD 29 SEPTEMBER 2016

In response to a question raised by County Councillor O'Toole regarding future internal audit fees the Director of Corporate Services confirmed that Lancashire County Council was appointed 3 years ago on the basis of cost and quality. He confirmed that he had been back to Lancashire County Council to challenge the proposed fees and was awaiting a response prior to discussing with the Chairman and Vice-Chairman of the Audit Committee. This would be reported to the next Audit Committee in January 2017.

RESOLVED: - That the proceedings of the Audit Committee held on 29 September 2016 be noted.

44/16 MINUTES OF NORTH WEST FIRE FORUM MEETING HELD 19 OCTOBER 2016

RESOLVED: - That the proceedings of the North West Fire & Rescue Forum held on 19 October 2016 be noted.

45/16 NOTES OF MEMBER TRAINING & DEVELOPMENT WORKING GROUP HELD 9 NOVEMBER 2016

The Chairman of the Member Training & Development Working Group, Councillor D Smith highlighted to Members that there was a move to increase the use of technology to support access to Authority and Committee agenda packs and enable efficiencies. Members would be kept informed of progress and developments.

RESOLVED: - That the proceedings of the Member Training and Development Working Group held on 9 November 2016 be noted.

46/16 MINUTES OF PLANNING COMMITTEE HELD 21 NOVEMBER 2016

RESOLVED: - That the proceedings of the Planning Committee held on 21 November 2016 be noted.

47/16 MINUTES OF RESOURCES COMMITTEE MEETING HELD 30 NOVEMBER 2016

RESOLVED: - That the proceedings of the Resources Committee held on 30 November 2016 be noted.

48/16 MINUTES OF PERFORMANCE COMMITTEE MEETING HELD 1 DECEMBER 2016

In relation to the 'Critical Special Service Response – Call Handling' target, the Chairman of the Committee, County Councillor S Holgate highlighted to Members that North West Fire Control would be invited to attend the next meeting to explain why the performance against the call handling targets had not been met for some time and to discuss what was being done to rectify this. The issue had been raised in December with North West Fire Control by both the Authority's Chairman, County Councillor De Molfetta at a Director's meeting and by the Chief Fire Officer at a Lead Principal Officers meeting. An offer had been tabled to hold the next Performance Committee meeting at North West Fire Control, so that this issue could be fully considered and explanations provided.

In relation to the underperformance of the 'Fire Engine Availability - Retained Duty System' (RDS) target County Councillor O'Toole queried whether the number of RDS personnel who had been successful in obtaining wholetime positions had had a negative impact given the difficulties filling RDS vacancies. In response, the Authority Chairman, County Councillor De Molfetta did not believe the appointment of RDS staff into wholetime positions was the cause of the target currently not being met. He understood that a large majority of those appointed had volunteered to undertake a dual role. County Councillor Parkinson stated that the appointment of RDS staff into wholetime vacancies was a tool to reinvigorate the Service and retain skills. He felt that it sent out a strong message to rural areas that if you chose a RDS role to support the community and you worked hard that there was a career pathway.

RESOLVED: - That the proceedings of the Performance Committee held on 1 December 2016 be noted.

49/16 LGA FIRE COMMISSION REPRESENTATION 2016/17

The Authority nominated the Chairman and Vice-Chairman on an annual basis after the Annual meeting each year to be its representatives on the Local Government Association (LGA) Fire Commission.

The Fire Commission provided a forum to discuss matters of common interest and concern to fire authorities.

All fire authorities in full or corporate membership of the Local Government Association (LGA) had the right to representation and voting on this Commission in accordance with the LGA Constitution, Standing Orders and Political Conventions.

The Fire Commission had a management committee which acted on behalf of the Commission. Its role was to represent as an LGA body the views and concerns of the fire community ensuring that local circumstances had a voice in the national context. It led on behalf of the LGA: on the future direction of the fire and rescue service;

improvement within the sector; and on all other day-to-day issues (e.g. technical or operational matters) affecting fire authorities.

County Councillor O'Toole had been approached by the LGA Conservative Group to sit on the Fire Commission. Should Members approve this appointment, future Authority approval to appoint additional members to the LGA Fire Commission or Fire Services Management Committee would be presented to the Annual Meeting each year.

RESOLVED: - That the Fire Authority approved the appointment of County Councillor D O'Toole's appointment to the Fire Commission for 2016/17.

50/16 ANNUAL STATEMENT OF ASSURANCE 2015/16

The Fire and Rescue National Framework for England (2012) provided overall strategic direction to English Fire and Rescue Authorities (FRA). It set out the Government's priorities and objectives and placed a requirement on all FRA's to provide assurance to their communities and to Government on financial, governance and operational matters.

The Statement of Assurance was considered by Members. It aimed to provide the necessary accountability and transparency to the people of Lancashire and evidenced that their Fire and Rescue Service continued to deliver the expectations detailed within both the National Framework and the Service's own Integrated Risk Management Plan (IRMP).

This statement sat alongside the IRMP, Statement of Accounts, Annual Governance Statement and recently redesigned Annual Service Plan and Annual Progress Report. It detailed what measures were in place to assure that the Combined Fire Authority's performance was efficient, economic and effective.

RESOLVED: - That the Authority approved the Annual Statement of Assurance 2015-16 as presented and approved the signing of this by the Chairman of the Authority and the Chief Fire Officer.

51/16 CAPITAL BUDGET 2017/18 - 2021/22

The Director of Corporate Services/Treasurer presented the draft capital programme 2017/18 – 2021/22.

Capital Budget Strategy

The Authority's capital strategy was designed to ensure that the Authority's capital investment:-

- Assisted in delivering the corporate objectives;
- Supported priorities identified in asset management plans;
- Ensured statutory requirements were met, i.e. Health and Safety issues;
- Supported the Medium Term Financial Strategy by ensuring all capital investment decisions considered the future impact on revenue budgets;

- Represented value for money.

Capital Requirements

Capital expenditure was expenditure on major assets such as new buildings, significant building modifications and major pieces of equipment/vehicles.

The Service had developed asset management plans which assisted in identifying the long-term capital requirements. These plans, together with the operational equipment register had been used to assist in identifying total requirements and the relevant priorities. The report set out the detailed capital programme as summarised in the table below: -

	2017/18	2018/19	2019/20	2020/21	2021/22	TOTAL
	£m	£m	£m	£m	£m	£m
Vehicles	1.659	1.806	2.814	0.962	1.070	8.311
Operational Equipment	0.420	0.350	1.550	0.250	0.435	3.005
Buildings	4.750	4.000	-	-	-	8.750
IT Equipment	1.350	0.545	0.720	0.210	0.200	3.025
Total	8.179	6.701	5.084	1.422	1.705	23.091

Vehicles

The Fleet Asset Management plan had been used as a basis to identify a vehicle replacement programme which had been adjusted to remove peaks in the number of vehicle replacements in any one year for a number of years now. This had inevitably resulted in some vehicles being replaced marginally ahead of or behind schedule in the past, but provided a better basis for longer term replacement strategies. As a result of this only one support vehicle due for replacement in the period of the programme would be delayed by one year.

The mobile fire station replacements related to two vehicles at the end of their current asset lives, however a review of requirements for these appliances was planned to commence shortly in order to determine a final design and hence costing estimate for approval.

Several vehicles provided and maintained by CLG under New Dimensions (6 Prime Movers and 1 Incident Response Unit), which would be due for replacement during the period of the programme had not been included in the replacement plan as it was understood that CLG would issue replacement vehicles if they were beyond economic repair, or if the national provision requirement changed. Should there be a requirement to purchase replacement vehicles, a grant from CLG might be available to fund them.

Operational Equipment

The budget plan allowed for the replacement of items at the end of their current asset lives, based on current replacement cost. In addition a further ongoing provision of £1m allowed for innovations in future firefighting equipment after the £1m budget allocated in 2016/17 had been fully utilised by the end of 2017/18.

Buildings

The current level of backlog maintenance had reduced significantly, reflecting the investments the Authority had made in its building stock. Following completion of works budgeted during 2016/17, the Authority would only have Preston fire station classed as in poor condition. In addition, the Emergency Cover Review (ECR) planned for completion during 2017/18 may highlight the requirement to make changes to stations; hence a sum of £7.5m spread over two financial years had been included to give scope for these changes once known. In addition to this a further sum of £1.25m had been included in the programme to allow for investment in training assets at two specific service delivery locations at the Training Centre in order to maximise the efficiency and consistency of staff training, in particular Retained Duty System staff. Further work was underway to identify the exact requirement and scope for these hence this sum was an estimate and would be refined prior to seeking Member approval for any large scale projects within it.

ICT

The sums identified for the replacement of various ICT systems were in line with the software replacement lifecycle schedule incorporated into the ICT Asset Management Plan. All replacements identified in the programme would be subject to review, with both the requirement for the potential upgrade/replacement and the cost of such being revisited prior to any expenditure being incurred. Of particular note were the anticipated replacements for the operational communications assets most of which were affected by the national Emergency Services Mobile Communications Project (ESMCP) to deliver a replacement for Airwave (the wide area radio system currently used for mobilising by all blue light services). The ESMCP had now signed the main contracts with EE and Motorola for the network and network equipment respectively. Since the signing of the contract, there had been considerable work done by the suppliers, central programme team and emergency services in the regions. However, there were still some areas that needed to be resolved, and therefore the original go live for the North West (the first region to go live) had moved on 3 months to January 2018. As there were still further details to be added to the national project plan, all Services awaited the final programme dates, and the regional programme team would update Services as soon as information was received. It was anticipated that all costs would be met by the government which were reflected in the figures presented to Members.

Capital Funding

Capital expenditure could be funded from the following sources:

Prudential Borrowing

The Prudential Code gave the Authority increased flexibility over its level of capital investment and much greater freedom to borrow, should this be necessary, to finance planned expenditure. However, any future borrowing would incur a financing charge against the revenue budget for the period of the borrowing. Given the financial position of the Authority, there had been no need to borrow since 2007 and based on the draft capital programme this position would not change.

Capital Grant

Capital grants were received from other bodies, typically the Government, in order to facilitate the purchase/replacement of capital items. Capital funding included an assumed £0.8m capital grant relating to the ESMCP. To date no other capital grant funding had been made available for 2017/18, nor had any indication been given that capital grant would be made available in future years and hence no allowance had been included in the budget as now presented.

Capital Receipts

Capital receipts were generated from the sale of surplus land and buildings, with any monies generated being utilised to fund additional capital expenditure either in-year or carried forward to fund the programme in future years. The Authority currently held £1.5m of capital receipts following the sale of surplus site at Chorley. It was not anticipated using any of this over the life of the programme.

Capital Reserves

Capital Reserves had been created from underspends on the revenue budget in order to provide additional funding to support the capital programme in future years. Following completion of the 2016/17 capital programme, and allowing for the transfer of the year end underspends, the Authority expected to hold £12.1m of capital reserves. Over the life of the programme it was anticipated using £10.6m, leaving a balance of £1.5m by the end of 2021/22.

Revenue Contribution to Capital Outlay

Any revenue surpluses may be transferred to a Capital Reserve in order to fund additional capital expenditure either in-year or carried forward to fund the programme in future years. The revenue contribution reduced from £2.0m in 2017/18 to £1.75m for the remainder of the programme.

Drawdown of Earmarked Reserves

The programme allowed for the use of £0.049m of earmarked reserves related to the provision of training facilities at STC, and was linked to a donation received from a member of the public.

Drawdown of General Reserves

Previous versions of the capital programme had shown the Authority utilising all its capital reserves and receipts by the end of the 5 year period, meaning that any longer term capital requirements would need to be met from either capital grant, revenue contributions or from new borrowing. Potentially this would leave a problem in future years as the on-going revenue contribution of £1.75m was insufficient to meet the vehicle and ICT replacement programme, let alone any other capital requirements. As such it was proposed to utilise £2.6m of general reserves over the 5 year programme, resulting in the Authority still holding £3.0m of capital receipts and reserves at the end of the period, and therefore being in a stronger position to meet recurring capital requirements.

Total Capital Funding

The report set out the level of capital funding available as summarised in the table below: -

	2017/18	2018/19	2019/20	2020/21	2021/22	TOTAL
	£m	£m	£m	£m	£m	£m
Capital Grant	0.800	-	-	-	-	0.800
Capital Receipts	-	-	-	-	-	-
Capital Reserves	2.730	4.951	3.334	(0.328)	(0.045)	10.642
Revenue Contributions	2.000	1.750	1.750	1.750	1.750	9.000
Earmarked Reserves	0.049	-	-	-	-	0.049
General Reserves	2.600	-	-	-	-	2.600
	8.179	6.701	5.084	1.422	1.705	23.091

Summary Programme

The summary of the programme, in terms of requirements and available funding, are set out below: -

	2017/18	2018/19	2019/20	2020/21	2021/22	TOTAL
	£m	£m	£m	£m	£m	£m
Capital Requirements	8.179	6.701	5.084	1.422	1.705	23.091
Capital Funding	8.179	6.701	5.084	1.422	1.705	23.091
Surplus/(Shortfall)	-	-	-	-	-	-

The programme was currently balanced over the next 5 years of the capital programme however, it was noted that the funding assumptions could change as follows:-

- Operational Communications replacements (ESMCP) were subject to a great deal of uncertainty in terms of both timing and costs as they related to a national replacement project, in addition there may be grant funding available for this which was also unknown at this time;
- Buildings budgets were subject to uncertainty until the outcomes of the stock condition survey, the forthcoming Emergency Cover Review, and the review of training assets were known;
- Capital grant may be made available in future years, in order to assist service transformation and greater collaboration;
- Replacement of both the Mobile Fire Stations and Aerial Ladder Platforms were subject to a review and vehicle requirements could be amended;
- New Dimensions vehicle replacements were expected to be carried out by the Government, however this position may change;
- All operational equipment item replacements were at estimated costs, and would be subject to proper costings nearer the time;
- ICT software replacements were based largely on the ICT asset management plan, and were subject to review prior to replacement, which had led in the past to significant slippage.

The programme was balanced, and as such considered prudent, sustainable and affordable. Although it was recognised that future funding levels, both in terms of revenue and capital, would inevitably impact upon the achievability of the programme as identified.

Impact on the Revenue budget

It was noted that the capital programme and its funding directly impacted on the revenue budget in terms of capital financing charges and in terms of the revenue contribution to capital outlay. Based on the provisional 4 year funding settlement the position in respect of the revenue contribution appeared sustainable until at least March 2020. Dependent upon the future funding position the revenue contribution to capital may come under increased pressure.

Prudential Indicators

The Authority was required to calculate various prudential indicators to demonstrate that the proposed capital programme was affordable, prudent and sustainable. It was noted that these had not yet been calculated, but would be included in the Authority report in February 2017.

RESOLVED:-

- (i) That the draft Capital Programme 2017/18 - 2021/22 be noted;
- (ii) That the Authority authorise consultation with representatives of non-domestic ratepayers and Trade Unions on the budget proposals;
- (iii) That the Authority gives further consideration to the capital budget at their next meeting on 20 February 2017, in light of the consultation process.

52/16 REVENUE BUDGET 2017/18 - 2021/22

The Director of Corporate Services/Treasurer presented the draft revenue budget for 2017/18 -2021/22 and the resultant council tax implications.

In line with the Authority's objective to deliver affordable, value for money services the Authority's Budget Strategy remained one of:-

- Maintaining future council tax increases at reasonable levels, reducing if possible;
- Continuing to deliver efficiencies in line with targets;
- Continuing to invest in improvements in service delivery;
- Continuing to invest in improving facilities;
- Setting a robust budget;
- Maintaining an adequate level of reserves.

Draft Budget

In order to determine the future budget requirement, the Authority had used the approved 2016/17 budget as a starting point, and had uplifted this for inflation and other known changes and pressures, to arrive at a draft budgetary requirement, prior

to utilising any reserves, as set out below:-

	2017/18	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m	£m
Preceding Years Draft Budget Requirement	55.6	53.9	54.5	55.8	57.5
Inflation	0.8	0.8	0.7	1.7	2.0
Other Pay Pressures	(0.7)	0.1	0.8	-	-
Committed Variations	(0.87)	(0.1)	0.1	-	-
Growth	0.4	(0.1)	(0.2)	-	-
Efficiency Savings	(1.4)	(0.1)	(0.1)	-	-
Budget Requirement	53.9	54.5	55.8	57.5	59.5

Further details were provided in the report, the most significant of which were:-

Inflation

- A 1% allowance had been built in for all pay-awards for the next 3 years, based on government proposals with 3.8% for 2020/21 and 2021/22;
- Non-pay inflation average of 2.5% per annum.

Other Pay Pressures

- Future Service contributions in respect of the Local Government Pension Scheme had increased by 1.9%;
- The discount rate used in unfunded public sector pension schemes would change and this added a further £2b of costs to the schemes, as a whole. This would be reflected in the next tri-annual evaluation that set the contribution rate payable from 1 April 2019. No details of the impact on any unfunded scheme were currently available however an allowance for a 3% increase had been built into the budget in 2019/20;
- The Government would introduce an apprenticeship levy in April 2017 which was set at a rate of 0.5% of an employer's pay bill;
- The budget in respect of wholtime personnel had been updated to allow for: retirements, leavers, continuing recruitment in future years (to include an allowance for over establishment by up to 25 personnel), personnel to be paid development rates of pay and the different firefighter pension scheme contribution rates;
- A vacancy factor of 2.5% had been built in to reflect turnover within support staff;
- The vacancy factor in respect of RDS staff had been increased to 15% in line with current levels.

Committed Variations

- In order to balance the draft capital programme the Revenue Contribution to Capital Outlay was increased in 2016/17, hence the reduction bought this back in line with future requirements, as reflected in the draft capital programme;
- Reduction in interest receivable reflected the historically low rate of interest and based on anticipated cash balances.

Growth

- The budget for recruits in training had been adjusted to take account of the anticipated timing and number of recruits in each year, assuming all recruits undertook a 13 week course. The budget for the Training and Operational Review Department had also been increased to provide sufficient trainers to meet the on-going requirement.
- The Service was currently reviewing its use of apprenticeships, and would report to the Resources Committee in due course. As such a provision had been set aside to meet any costs.

Efficiency Savings

The Authority had a good track record of delivering efficiency savings. Between April 2011 and March 2017 £16.5m of savings had been delivered. Further savings of £1.6m had been identified as detailed below, bringing the overall level to £18m:-

- Full year effect of removal of whole-time appliance at Lancaster and creation of RDS unit;
- Savings identified from reviewing non-pay budgets, the main ones being:
 - Fleet
 - Property
 - Utilities
 - Area
 - Smoke Detectors
- As referred to on a separate report on this agenda the Service had more than paid off its LGPS deficit and as such the budget had been adjusted to remove the deficit recovery payments included in previous years budgets. At the present time it had been assumed that the surplus was left in-situ and had therefore not built any allowance into the budget for this.

Net Budget Requirement

The overall net budget requirement for each year was set out in the report as follows:-

	2017/18	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m	£m
Draft Budget Requirement	53.9	54.5	55.8	57.5	59.5
Budget (Decrease)/Increase	(3.0%)	1.0%	2.5%	3.0%	3.4%

Grant Funding

Future funding was based on the four year settlement figures previously identified (the Director of Corporate Services confirmed that the 4 year funding settlement had been confirmed and the draft Local Government Finance Settlement been published, and was in line with figures contained in the report.) It was assumed that funding was frozen in 2020/21 and beyond, although in the recent Autumn Statement the Government reaffirmed that Departmental resource (revenue) spending would continue to grow with inflation in 2020/21, as set out in Budget 2016, and that Departmental spending would also grow with inflation in 2021/22, but obviously there would be significant variation between departments due to how the overall funding was distributed.

		Reduction	
2015/16	£29.6m		
2016/17	£27.8m	£1.8m	6.4%
2017/18	£25.4m	£2.4m	8.3%
2018/19	£24.5m	£0.9m	3.8%
2019/20	£24.1m	£0.4m	1.6%
2020/21	£24.1m	-	-
2021/22	£24.1m	-	-
		£5.5m	18.7%

(Figures presented included an assumption that both Section 31 Grant - Business Rates Capping and Business Rates collection fund deficit remained at their current levels.)

The Spending Review also confirmed that by 2020/21 Local Authorities would retain 100% of business rates, but no details were available as to how this would work and what the impact on the fire sector would be, and hence for the purpose of financial planning it had been assumed that this would be cost neutral.

Council Tax

In setting the council tax, the Authority aimed to balance the public's requirement for its services with the cost of providing this. As such the underlying principle of any increase in council tax was that this must be seen as reasonable within the context of service provision.

The Authority became a precepting authority on 1 April 2004. Since then the council tax increases had been limited either by either capping or the current referendum threshold (of 2%) set by the Government. As such the council tax increases and hence budget increases had been constrained by these and the desire to deliver value for money services, culminating in a council tax freeze between 2011/12 to 2014/15 and a 1.9% and 1.0% increase in the last 2 years. The council tax of £65.50 was still below the national average of £71.50 and the Authority's increase of just 2.9% over the last 6 years compared with an average national increase of 8.6% over the same period and was the 5th lowest of any Fire Authority.

Council Tax-Base

It was noted that both the council tax base and collection fund deficit were estimates which would be updated once figures were received from billing authorities.

Draft Council Tax Requirements

The Director of Corporate Services advised that the Authority had received a council tax freeze grant in previous years but this had stopped last year and had not been reinstated this year.

Members noted the draft council tax requirements as presented: -

	2017/18	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m	£m
Draft Budget Requirement	53.9	54.5	55.8	57.5	59.5
Less Total Grant	(25.4)	(24.5)	(24.1)	(24.1)	(24.1)
Council Tax Collection Surplus	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Equals Precept	28.2	29.7	31.4	33.1	35.1
Estimated Number of Band D equivalent properties	422,063	426,283	430,546	434,852	439,200
Equates to Council Tax Band D Property	£66.82	£69.68	£73.05	£76.22	£79.87
Increase in Council Tax	2.0%	4.3%	4.8%	4.3%	4.8%

(For information, a 1% change to the council tax equates to £0.250m.)

The increase in 2017/18 was in line with the referendum limit but increases in future years were more significant and would potentially exceed the referendum limit.

As in previous years 3 scenarios had been modelled based on: -

- A 2% increase in council tax each year;
- A council tax increase of 1% in 2017/18 with a 2% increase thereafter;
- A council tax freeze in 2017/18 with a 2% increase thereafter.

The following table set out the funding gap based on these scenarios:-

	2017/18	2018/19	2019/20	2020/21	2021/22
A 2% increase in council tax each year	-	(£0.6m)	(£1.5m)	(£2.3m)	(£3.3m)
A council tax increase of 1% in 2016/17 with a 2% increase thereafter	(£0.3m)	(£0.9m)	(£1.8m)	(£2.6m)	(£3.6m)
A council tax freeze in 2016/17 with a 2% increase thereafter	(£0.6m)	(£1.2m)	(£2.1m)	(£2.9m)	(£3.9m)

Reserves

A reasonable level of reserves was needed to provide an overall safety net against unforeseen circumstances, such as levels of inflation/pay awards in excess of budget provision, unanticipated expenditure on major incidents, and other “demand led” pressures, such as increased pension costs, additional costs associated with national projects, etc. which could not be contained within the base budget. In addition, they also enabled the Authority to provide for expenditure, which was not planned at the time the budget was approved, but which the Authority now wished to implement.

As such a review of the strategic, operational and financial risk facing the Authority was undertaken each year to identify an appropriate level of reserves to hold, this incorporated issues such as higher than anticipated pay awards, increased number of ill health retirements, etc. Until such time as the draft settlement had been announced it was impossible to carry out this review, as such this would be undertaken and reported on at the Authority meeting in February 2017.

However, in order to give an overview of this area, last year a minimum uncommitted reserve requirement of £3.0m was identified. Based on the budget forecast for 2016/17, and assuming any in-year underspend transferred to capital reserves, it was anticipated the Authority would be holding £10.2m of general reserves at 31 March 2017. The draft capital programme allowed for a further transfer of £2.5m from general reserves to the capital programme in 2017/18, leaving a forecast balance of £7.7m, providing scope to utilise approximately £4.7m of reserves. As such they could be used to meet the funding gap across the remainder of the 4 year settlement period, up to 31/3/2020.

The anticipated reserve position, based on the draft revenue and capital budget as presented, and assuming that a 2% increase in council tax was agreed each year and that any funding gap was met by a drawdown of general reserves showed that the general reserves remained above the minimum target level until April 2021. Whilst the forecast indicated that there would not be sufficient reserves to bridge the potential funding gap in that year, it was noted that this was based on a number of assumptions that would change over time and that these forecast budgets would be subject to several revisions before that time.

Summary Council Tax Options 2017/18

Based on the scenarios outlined the council tax options for 2017/18 were: -

	2% Increase	1% Increase	Freeze
	£m	£m	£m
Gross Budget Requirement	53.9	53.9	53.9
Utilisation of reserves/additional savings	-	(0.3)	(0.6)
Final Budget Requirement	53.9	53.6	53.3
Less Revenue Support Grant & Baseline Funding	(25.3)	(25.3)	(25.3)
Less Section 31 Grant re Business Rates Capping	(0.4)	(0.4)	(0.4)
Add Business Rates Collection Deficit	0.3	0.3	0.3
Less Council Tax Collection Surplus	(0.3)	(0.3)	(0.3)
Equals Precept	28.2	27.9	27.6
Estimated Number of Band D equivalent properties	422,063	422,063	422,063
Equates to Council Tax Band D Property	£66.80	£66.15	£65.50
Increase in Council Tax	2.00%	0.99%	0.00%

The increases equated to:-

- 1% was £0.65 per annum, £0.01 per week
- 2% was £1.30 per annum, £0.03 per week.

Based on this it was apparent that the requirement to achieve savings was manageable over the remainder of the settlement period, but increasingly challenging in subsequent years (this being reflective of anticipated pay awards post the settlement period). The Treasurer reiterated that the figures did not allow for any drawdown of the Local Government Pension Scheme surplus.

Reserves were in a healthy position and could be utilised to bridge any shortfall and

timing issues over the remainder of the settlement period, although this would not be the case throughout the five year period based on current forecasts.

In response to a question raised by County Councillor Britcliffe on whether budget predictions were reviewed for their accuracy by way of their comparison with the actual figures subsequently recorded, the Director of Corporate Services advised that the budget projections were based on a number of assumptions, some of which would inevitably change, for example last year's budget projected expected a cut of between 26 – 40% which transpired to be 18%; a significant change that could not be predicted. It was therefore important to maintain a medium term financial strategy.

County Councillor O'Toole suggested that the level of the Authority's investments and whether these could be released to offset any future council tax increases be discussed as part of the budget setting process at the next meeting.

A final revenue budget would be presented to the Authority in February 2017, for formal approval.

RESOLVED:-

- (i) That the draft Revenue Budget be noted as presented;
- (ii) That the Authority authorise consultation with representatives of non-domestic ratepayers and Trade Unions on the budget proposals;
- (iii) That the Authority gives further consideration to the revenue budget at their next meeting on the 20th February 2017, in light of the consultation process.

53/16 LOCAL GOVERNMENT PENSION SCHEME VALUATION

At the time of the last tri-annual valuation of the Local Government Pension Scheme the Fire Authority had a funding deficit of £5.8m. This deficit was being paid off over the agreed deficit recovery period, 19 years, at a cost of approx. £200k-£300k per annum. Members had agreed to utilise in-year underspends in 2014/15 and 2015/16 to pay off this deficit, setting aside £5.2m to do so, as this would reduce any future deficit recovery costs once the outcome of the next valuation in 2016 was agreed. Although it was noted that historically the level of deficit for the scheme as a whole had increased at each valuation, as liabilities had grown at a faster rate than assets, it was recognised that at the time of the valuation there was no guarantee that a new deficit would not exist.

Whole Scheme Valuation

The 2016 valuation had been published and this showed a marked improvement to the scheme as a whole, assets had grown significantly whilst liabilities had only increased marginally, which was completely out of kilter with historic trends.

Asset values had increased significantly due to investment returns performing better than forecast. Liabilities had remained broadly static due to changes in actual pay and pensions inflation and changing assumptions; the basis of calculations was:-

- pension increases had been limited to CPI;
- pay inflation had been lower than anticipated;
- life expectancy projections had been updated and whilst they had increased since the last valuation they had not increased by the forecasted amount;
- the basis of assessing liabilities had been changed this year moving away from the link to gilts and moving to a link to CPI (had this not been the case the reduction in gilt yields would have resulted in a far greater liability).

Lancashire Fire Authority Fund

The Authority's future service rate had increased from 12.8% to 14.7%, an increase of 1.9% which, based on the current budgeted wage bill, equated to £0.1m additional cost.

The Authority's funding position had moved from a deficit of £5.8m to a surplus of £4.3m, this reflected the overall scheme changes highlighted above, and the additional contributions paid into the fund.

It was noted that contributions paid, offset by benefits accrued, accounted for £5.4m of the reduction (this was the monies set aside to pay off the 2013 deficit of £5.8m) the remainder of the reduction was due to investments generating £3.3m more returns than forecast with the balance, £1.4m, relating to the net impact of changing assumptions.

Valuation Date	Assets	Liabilities	Deficit/(Surplus)	Funding Level
2010	£23.5m	£28.5m	£4.8m	82%
2013	£31.5m	£37.3m	£5.8m	84%
2016	£43.6m	£39.3m	(£4.3m)	111%

All of the above indicated the extent of volatility that the valuation was subject to, and the difficulty in making medium term predictions. It was noted that the surplus was ring fenced for the Authority, it could not be used by others, and it would earn a return in line with the whole fund, which historically far outstripped the normal return. Depending on what decision was made it would be available to offset any future increases that might occur when future revaluations took place.

Options

Based on this the Authority needed to pay the new employer contribution rate of 14.7%, an increase of 1.9%, which, based on our current budgeted wage bill, equated to £0.6m an additional cost of £0.1m.

As the fund was now in surplus there was no deficit to pay off, resulting in a saving of £0.2m, which was already reflected in future budgets.

In terms of the surplus on the scheme the Authority had the following options:-

- leave the surplus in situ, to offset any future changes;
- drawdown all of the surplus over the 16 year recovery period, £0.3m per annum (this would still leave approx. £3.3m as a surplus at the next valuation, all other things being equal);

- drawdown the surplus to offset all of the future service pension contributions, £0.6m per annum (this would still leave approx. £2.3m as a surplus at the next valuation, all other things being equal, but we would need scheme approval to do so);
- drawdown part of the surplus over the 16 year recovery period, one option being to draw down a sum equal to the increase in future service contribution, i.e. £0.1m (this would still leave approx. £4.0m as a surplus at the next valuation, all other things being equal).

It was noted that the actuary had also confirmed that it was possible to review the extent of any drawdown on an annual basis, subject to scheme approval.

In response to a question raised by County Councillor O'Toole, the Director of Corporate Services confirmed that the surplus was ring-fenced for the Authority, any draw-down would go back into the revenue budget and there was no change with the move from a Lancashire to a Lancashire / London fund.

Following discussion, given the decision on how to treat the surplus formed part of a wider discussion on the budget and council tax options it was agreed that this item be brought back for reconsideration at the next meeting scheduled for 20 February 2017.

RESOLVED: – That the Authority agreed to reconsider this item at its budget setting meeting on 20 February 2017.

54/16 ADRIAN THOMAS' INDEPENDENT REVIEW OF CONDITIONS OF SERVICE FOR FIRE AND RESCUE STAFF IN ENGLAND - FEBRUARY 2015

The Adrian Thomas Review on Conditions of Service as now presented, was published by the Home Office on 3 November 2016. The report contained 45 key findings which needed to be reflected on by the various elements of the Fire Sector (Government, Local Government Association, Chief Fire Officers Association, Unions as well as individual authorities and services).

The Review was confined to Fire & Rescue Authorities in England (46) but had a wider impact. The findings were grouped into five areas: -

- The working environment;
- Documented Conditions of Service;
- Industrial Relations;
- Retained Duty System;
- Management of the Fire & Rescue Service.

In the body of the report, Lancashire Fire & Rescue Service was cited as having been visited in the review. In reality Mr Warren was interviewed by Adrian Thomas on the recommendations of the Chief Fire and Rescue Adviser and a separate nomination by the Local Government Association as an adviser to the National Joint Council. The discussion with Mr Thomas was therefore related to the general nature of the fire sector rather than specifics within Lancashire, although elements of the Service's good practice were highlighted.

The publication of the report in November 2016 was two years after the Report was commissioned and a number of comments made had now become historical in context, or overtaken. Similarly, LFRS could demonstrate its position in a favourable light in respect of many of the findings, as was done in respect of the Sir Ken Knight Review. In effect, many of the issues directly in LFRS' control were being progressed within existing activity.

However, the Authority and Service should consider the thrust and direction of the Report in framing and further developing LFRS' main HR and organisational Development activities and it was noted that a gap analysis would be undertaken to identify the Service's position to inform that consideration. This gap analysis would also probably be beneficial in future interactions with the proposed inspectorate regime.

Key Themes

Employment costs were a significant element if not the majority of costs for all Fire Services.

The main findings were summarised in pages 12-18 of the Report.

The themes emerging for consideration in the sector were:

- How could some authorities make progress whilst others did not;
- Greater cross fertilisation of issues should be developed (institutional learning);
- The Conditions of Service and negotiation arrangements should be "modernised" including Role Maps and Duty Systems and content;
- Issues in respect of employee engagement including culture and trust, including equality & diversity and bullying and harassment issues;
- National Leadership development/standards;
- Remove the Right to Strike;
- Greater use of Retained Duty System;
- Future Recruitment.

The key strap line was "where change is common sense, it should become common practice".

Contained within the findings were many other areas such as governance and pay statements.

It was noted that all the findings would be addressed in the report to the February CFA.

RESOLVED: - The Authority: -

- i) noted the publication of the Report; and
- ii) noted that a detailed assessment of the Service's position against the findings of the Report would be presented to the CFA meeting to be held on 20 February 2017.

The salary scheme was developed based on a set salary pro-rata to the number of hours of cover provided, and taking account of station activity levels, on a banded basis, i.e. 0-100, 100-200 etc. Under this system it was still recognised that as activity levels fell station bandings would fall and therefore earnings would reduce, hence at the time of introducing the scheme the Authority agreed to protect the overall pot of money and undertake a tri-annual banding exercise whereby base salaries for each banding were adjusted to ensure that overall costs remained the same. (It was noted that as activity levels fell, earnings would reduce under the grey book scheme.) The salary scheme was the first in England and required an investment of £600k, and resulted in Lancashire personnel being the highest paid RDS personnel in the country, relative to activity levels.

Rebanding exercises had taken place in 2008 and 2011 taking account of the previous three years activity levels, both of which resulted in some stations moving down the banding system but with the base salary level being increased to maintain the overall pot of money. As a result of these exercises 16 stations had moved into lower bandings, and would therefore have suffered a reduction in earnings, whilst 10 had remained in the same banding and 1 had moved up a banding, all of whom would have seen an increase in earnings. Since its implementation £250k had been re-invested into the scheme in order to maintain the overall pot of money at the same level.

The rebanding exercise scheduled for 2014 showed 12 stations reducing in banding and following concerns being raised about the impact of this on personnel the results were not implemented.

There remained serious concerns about the benefits the salary scheme had delivered. Therefore as part of the RDS Strengthening and Improving agenda it was agreed to undertake a more fundamental review of the scheme to determine whether it remained fit for purpose or if not what amendments were required, recognising that any additional investment required must deliver improvements.

Review

In order to review the scheme a questionnaire was sent to all RDS units asking them:

- what works in the current salary;
- what doesn't work and why it doesn't;
- what changes you would propose;
- what you anticipate the impact of any changes would be in terms of our core issues of recruitment, retention and availability.

Out of 29 units only 11 responded, and within those responses the standard was extremely varied. Included within the questionnaire was a call for additional volunteers for the review group, but again this elicited a very limited response with only 4 personnel being put forward. An RDS Pay Review Group consisting of 8 representatives from the RDS personnel across the service was established and they reviewed the responses. The Group agreed that any eventual proposal must be

perceived as being fair, rewarding both commitment, i.e. hours of cover provided, as well as activity, i.e. actual number of incidents attended, drills undertaken etc. The Group also agreed that any system must take account of current activity levels rather than historical ones, thus ensuring consistency of reward.

Options Considered

The following options were considered:-

- Undertake rebanding exercise;
- Freeze current bandings;
- Reduce the pay differential between bandings;
- Introduce a flat rate of pay, regardless of activity;
- Introduce a banding system based on high, medium, and low activity levels;
- Implement a modified scheme based on grey book activity payments.

Having considered these the group proposed the following modified scheme based on grey book activity payments:-

Reward for commitment

A retaining fee is paid based on contracted hours of cover, regardless of activity levels. For a Firefighter providing 120 hours of cover this is set at £6,250 per annum. The equivalent grey book retaining fee is £2,945, so this represents a significant increase. The retaining fee is paid pro-rata to contracted hours of cover, i.e. someone providing 60 hours of cover will receive 50% of the retaining fee, and someone providing 90 hours of cover will receive 75% of the retaining fee.

Recognising Activity

Paying for additional activity in line with grey book rates, i.e. a drill, turnouts, attendance or hours at incidents are all paid for on a piecemeal basis in line with grey book rates of pay, currently £13.53 per hour plus £3.90 disturbance fee for a Firefighter.

It was noted that these changes would maintain Lancashire RDS personnel as the highest paid RDS personnel in England, relative to activity levels

Impact

The proposal cost approximately £300k more than the current salary scheme, but resulted in approximately 80% of personnel being better off financially and 20% worse off financially.

Members considered the advantages and disadvantages as presented in the report.

Consultation

It was noted that a comprehensive consultation exercise had taken place with staff and representative bodies. The consultation was open for 6 weeks, it closed on 21 November, and included:-

- Letters were sent to all staff explaining the proposal and setting out the impact

specific to them;

- 6 briefing sessions were held with over 70 personnel attending;
- A frequently Asked Questions document was sent to all Unit Managers and included in the Routine Bulletin.

A total of 50 responses were received, as now presented at appendix 1. The majority of these were supportive of the proposal, including that received from the FBU.

Proposed scheme amendments

These responses were debated by the RDS Pay Review Group and as a result the proposed scheme was amended for the following issues:-

- Rostering – this would now be based on seven personnel being on call at any time, with six personnel being paid to ride the appliance and a seventh person being paid an attendance. (For a 2 pump station 14 personnel would receive a payment, with a maximum of 12 personnel being paid for riding the fire appliance);
- Providing cover on a public holiday - this would now include time owing as well as payment at double time (in line with whole-time personnel);
- Future Changes – it was agreed that activity levels would be monitored throughout the period to ensure that they remained broadly consistent. If there was a major change in activity across the whole organisation then the Service would re-visit the scheme to ensure it remained fair and rewarded RDS personnel appropriately.

Next Steps

The Director of Corporate Services confirmed that it was felt sensible that Member approval be required before the FBU sought to undertake a vote of their membership to determine whether the system was supported or not. If the vote was in favour of the proposal then implementation would take place on 1 April 2017. If the vote was not in favour of the proposal then the standard rebanding exercise would take place and would be implemented on 1 April 2017.

RESOLVED: - That Members approved the revised scheme for implementation on 1 April 2017, subject to the outcome of the Fire Brigade Union vote on this.

56/16 EARLY DAY MOTION - SCRAPPING OF SCHOOL SPRINKLERS

The Deputy Chief Fire Officer advised that notification had been received of an Early Day Motion (EDM) currently seeking support in the House of Commons with regards to Building Bulletin 100: design for fire safety in schools and the removal of the expectation that automatic fire suppression systems (sprinklers) would be fitted to all but the lowest risk new schools. It was considered that such a move could compromise the safety of children, staff, local communities and firefighters. The Chairman of the Lancashire Combined Fire Authority and the Chief Fire Officer had therefore written to local MPs on behalf of the Authority, as now presented.

RESOLVED: - That the Authority note the Chairman and Chief Fire Officer's letter and agreed to add support where appropriate.

57/16 MEMBER CHAMPION ACTIVITY - QUARTERLY REPORT

In December 2007, the Authority introduced the "Champion" role. These positions were currently filled by:-

- Equality and Diversity – County Councillor Terry Aldridge
- Older People - County Councillor Mark Perks
- Environment - County Councillor Ken Brown
- Road Safety – Councillor Fred Jackson

Reports relating to the activity of the member champions were provided on a regular basis to the Authority. This report related to activity for the period up to November 2016.

Equality and Diversity

County Councillor Aldridge reported that he had met with the Director of People and Development and would be meeting again in the New Year.

He was pleased to report that the Equality and Diversity Policy had now been adopted and was live on the website. The 2016/2017 Equality and Diversity Action Plan was being updated as progress was made and would be available at the end of the year to demonstrate Lancashire Fire and Rescue Service's progress in compliance with its Public Sector Equality Duty.

Equality Objectives had now been agreed for 2017/2022 and were out for consultation as part of the development of the Integrated Risk Management Plan as follows:

- Support local business to reduce the risk of fire and remain compliant within fire safety legislation;
- Reduce the number and impact of fire and other emergencies to our diverse communities across Lancashire;
- Develop and deliver a Prevention Service targeting our most vulnerable communities;
- Promote equality in our workforce policies and workforce practices;
- Develop our staff to ensure they can respond competently, meeting the different needs of our diverse communities.

As part of creating a more diverse workforce, a project had been established to look at positive action which would commence January 2017. An overarching approach to organisational development was in the process of being developed which looked at how the promotion of equality and diversity, including the prevention of unconscious bias was embedded into existing and proposed development programmes including a new Corporate Induction process.

Older People

It was noted that County Councillor Perks continued to support the work that the Service had been actively involved with during the period which included:-

- The Service continued to develop Dementia activities across the County. The Prevention Support Manager was leading on Dementia with support from a Task Group made up of representation from each area. The group was meeting in December to agree their Terms of Reference and Membership.
- Northern Area had been working closely with Lancashire Constabulary on the Guardian Angels scheme who provided devices to people living with dementia so that they could be quickly identified and helped if found wandering. A Dementia Event was held for Partners on 28th October with a further event held for the Public on 18th November. The task group would consider this as a larger roll out and would carry out a review of the scheme.
- Eastern Area also held an Older People's Open Day on 24th November which included talks from the Fall Prevention Team, Fire Safety talks and a demonstration of the Tunstall Alarms that were available.
- Western Area had developed and produced a number of stickers which could be provided to people living with Dementia as a reminder about fire safety and security. One of the actions of the Dementia Group would be to distribute these county wide with guidance and support offered to staff.
- Dementia Friends Awareness sessions continued to be provided to LFRS staff and local community groups and a document confirming the number of Dementia Friends and the number of Dementia Champions in LFRS was currently being developed. This would then be shared across the organisation and used as a tool to allocate dementia friends session requests.
- The Age Safe Task Group had recently formed to review and develop further our older person's prevention strategies.

Road Safety

Cllr Jackson felt that it was important the those who participated and attended road safety events knew these were backed by the Authority and thanked Members for their continued support. Although difficult to prove there was a clear understanding that the work done on road safety was reducing the number of accidents and deaths.

It was noted that Cllr Jackson continued to support the Wasted Lives programme which included: -

Safe Drive Stay Alive multi-agency presentations had been held at the following locations: -

- **Blackpool Winter Gardens Tuesday 27th September**
Delivered to 856 students from Rossall School, Kirkham Grammar, Myerscough College, Training 2000, Baines School and St Marys.
- **Lancaster and Morecambe College 4th and 5th October**
Delivered to 414 students from Lancaster and Morecambe College, Heysham High School and Morecambe High Schools sixth forms.
- **Park Hall Wednesday 9th and Thursday 10th November**
Delivered to 1156 students from Runshaw College, West Lancs College, Hutton Grammar, Lytham 6th Form and Fulwood Academy.

- **Burnley Mechanics Tuesday 22nd November and Thursday 24th November**
Delivered to 1980 students from Burnley College, Training 2000, Myerscough at Witton Park, Todmorden High and Alder Grange sixth form.

The event at Burnley Mechanics on Tuesday was a milestone for Safe Drive Stay Alive, where it was delivered to over 10,000 students. The event was attended by the local media with Lancashire TV producing a film which can be viewed by following the link below.

https://m.youtube.com/watch?feature=youtu.be&v=_0eR0SfiMu0

LFRS signed a brake road safety pledge in support of the national road safety week which took place during 21-25 November 2016. LFRS personnel across the region delivered various road safety themed events each day. These included both crashed cars being located at strategic sites which enabled crews to engage with the public; focusing on the Fatal Four: Speed, Drink, Drugs and Distractions. Events were held in the following town centres: Preston, Lancaster, Accrington, Nelson and Blackburn.

The first Road Safety Thematic group meeting was held on 19/10/2016 where terms of reference, a group plan and work programme were agreed.

Environment

County Councillor Ken Brown reported that in mid-November external auditors carried out the annual surveillance audit to maintain certification to the environmental standard ISO 14001:2004. Continued certification was granted subject to one condition, the successful closure of one minor non-conformance relating to operational controls of other parties that use LFRS premises. A number of positive comments were received from the auditors. The auditors issued three opportunities for improvement which together with observations made by the Safety, Health and Environment staff would be developed into an improvement action plan to ensure continuous improvement was made.

RESOLVED: - That the Authority noted the report and acknowledged the work of the respective Champions.

58/16 FIRE PROTECTION REPORTS

A report detailing prosecutions in respect of fire safety management failures and arson related incidents within the period 1 September to 1 December 2016 was provided. There was 1 successfully completed prosecution under the regulatory reform (fire safety) order 2005. Fire protection and business support information was provided which included details of the Primary Authority Scheme, participation in Business Safety Week during 5th – 9th September 2016, staff progress against the competency framework for business fire safety regulators and details of the Community Fire Risk Management Information System update and training.

Members noted that there were 3 arson convictions during the period with a number of other cases ongoing where guilty verdicts/pleas had been made where sentencing results were awaited.

RESOLVED: - That the Authority noted the report.

59/16 COMMUNITY FIRE SAFETY REPORTS

This report included information for the 2 Unitary and 12 District Authorities relating to community safety activity and incidents of operational interest.

Under this item Area Manager Fryer provided Members with a current overview of the Bright Sparx Campaign which had been requested by the Performance Committee held 1 December 2016 (resolution 10/16 refers).

The Bright Sparx campaign was a well-established, multi-agency campaign which aimed to reduce injury, disorder, damage and anti-social behaviour related to the misuse of bonfires and fireworks across the county. The campaign took place over a period of 6 weeks from 1 October to 10 November each year.

Members were pleased that community engagement, partnership work and improved response intervention had resulted in a reduction in the overall number of deliberate fires caused by anti-social behaviour throughout the year and during the Bright Sparx period. Likewise, attacks on firefighters were at their lowest level for several years with only 2 attacks reported in 2016.

County Councillor Aldridge referred to the Skelmersdale areas as having a significant volume of problems but the community engagement initiatives of the Fire and Rescue Service and Police Service, including a five a side football league in the area had done much to establish and improve relationships in the community.

The Assistant Chief Fire Officer advised that on 7 December 2016 there had been a major fire at a car dismantlers on Moorfield Industrial Estate, Altham, which had been attended by 16 Fire Engines including Specialist engines. He wanted to acknowledge the professionalism shown by staff and partners which had limited the impact on the community and environment. A full presentation would be presented to the Fire Authority at its next meeting on 20 February 2017.

RESOLVED: - That the Authority note the report.

60/16 MEMBER COMPLAINTS (STANDING ITEM)

The Monitoring Officer confirmed that there had been no complaints since the last meeting.

RESOLVED: - That the current position be noted.

61/16 DATE OF NEXT MEETING

The next meeting of the Authority would be held on Monday 20 February 2017 at 10:00 hours in Washington Hall at the Training Centre, Euxton.

LFRS HQ
Fulwood

M NOLAN
Clerk to CFA

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Agenda Item 5

LANCASHIRE COMBINED FIRE AUTHORITY

Meeting to be held on 20 February 2017

PROCEEDINGS OF NORTH WEST FIRE & RESCUE FORUM HELD 18 JANUARY 2017 (Appendix 1 refers)

Contact for further information:

Diane Brooks - Principal Member Services Officer – Tel (01772) 866720

Executive Summary

The proceedings of the North West Fire & Rescue Forum meeting held on 18 January 2017.

Recommendation

To note the proceedings of the North West Fire & Rescue Forum meeting as set out at Appendix 1 now presented.

Information

Attached at Appendix 1 are the proceedings of the North West Fire & Rescue Forum meeting held on 18 January 2017.

Business Risk

None

Environmental Impact

None

Equality & Diversity Implications

None

Financial Risk

None

HR Implications

None

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact
N/A		Diane Brooks
Reason for inclusion in Part II, if appropriate: N/A		

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North West Fire & Rescue Forum AGM

Minutes of the meeting held on 18th January 2017

At
NW Fire Control, Lingley Mere, Warrington

Present:	Authority:
Cllr D Hanratty	Merseyside (Chair)
Cllr L Byrom	Merseyside
Cllr B Rudd	Cheshire
Cllr S Nelson	Cheshire
Cllr B Doughty	Cumbria
Cllr D Acton	Greater Manchester
Cllr F De Molfetta	Lancashire
Officers/Observers:	Authority:
Mr P Hancock	Cheshire
	Cumbria
Mr C Kenny	Lancashire
Mr P Argyle	Greater Manchester
Mr D Stephens	Merseyside
Mrs K Kellaway	Merseyside (Note taker)
Apologies:	Authority:
Cllr G Merry	Cheshire
Cllr G Strong	Cumbria
Cllr T Judge	Greater Manchester
Cllr J Bell	Greater Manchester
Mr P O'Reilly	Greater Manchester
Cllr L Rennie	Merseyside
Cllr L Maloney	Merseyside
Mrs J Henshaw	Merseyside
Cllr D O'Toole	Lancashire
Cllr M Parkinson	Lancashire
Mr K Mattinson	Lancashire

Agenda Item	Minute
1.	<p>Chairman's Welcome and Introduction</p> <p>The Chair welcomed all present to the meeting and opened proceedings.</p>
4.	<p>Apologies</p> <p>Apologies were received as shown in the table above.</p>
5.	<p>Declarations of Interest</p> <p>No declarations of interest were made in relation to items of business on the Agenda.</p>
6.	<p>Items Requiring Urgent Attention</p> <p>There were no matters requiring urgent attention.</p>
7.	<p>Minutes of the Previous Meeting</p> <p>The minutes of 19th October 2016 were agreed as a true record.</p>
8.	<p><u>Actions from the Last Meeting</u></p> <p>Action 1 – Lobbying</p> <p>The Chair advised that a letter had been sent to the Fire Minister and Dan Greaves requesting a meeting, but as yet a response had not been received.</p> <p><u>This action is ongoing and will remain on the Action Log.</u></p> <p>Action 2 – NWAS</p> <p>The Chair advised that a letter had been sent to NWAS as agreed at the last meeting, however a response was yet to be received.</p> <p><u>The Chair confirmed that he would continue dialogue with NWAS and the action would remain on the Action Log.</u></p> <p>Action 3 – Policing and Crime Bill</p> <p>The Chair advised that the Bill is now in the final stages, with no further amendments anticipated.</p> <p><u>This action is ongoing and will remain on the action log.</u></p> <p>Action 5 – Devolution Deals</p> <p>The Chair advised that for Merseyside, there had been no further developments with regards to devolution.</p>

	<p>Discussion took place around devolution in Greater Manchester. The Forum were advised that Greater Manchester Fire and Rescue Authority will be abolished on 8th May 2017, at which point the newly elected Metro Mayor will take over responsibility for Fire. A 15 person Committee will be established, consisting of an elected Member appointed from each of the 10 Districts, with the other 5 Members, including the Chair of the Committee, being appointed by the Mayor. It was confirmed that all Members of the Committee will be elected Members.</p> <p>The Mayor will have responsibility for setting the Budget, recruitment of the Chief Fire Officer; and agreeing the IRMP, which are functions that cannot be delegated. However, it is anticipated that the Mayor will delegate everyday functions to the Committee.</p> <p>The Forum were advised that Warrington have decided they wish to remain part of the Cheshire region, therefore devolution within Cheshire can now go ahead. However, it was noted that the devolution deal for Cheshire does not include governance for Police or Fire.</p> <p>It was further noted that the driver from Government is for PCC's to take over Fire and Rescue Authorities, however there will be different drivers for different areas. The Forum were advised that the PCC for Cheshire has no interest at present in taking over the governance of the Fire and Rescue Authority, however the PCC has been co-opted onto the Authority as a non-voting Member.</p> <p>Questions were raised around proportionality of any Committees established and discussion took place regarding potential proportionality issues, gender balance and the potential for challenge.</p> <p>DS asked if a Constitution had been drafted for the Greater Manchester Committee. He was informed that one had not been drafted as yet and it was anticipated that this would be drawn up following the election of the Mayor.</p> <p>Further discussion took place around transitional arrangements following the abolition of the Fire and Rescue Authority, the transition of staff to the Combined Authority; and which other authorities have, or will be transferred to the Combined Authority.</p> <p><u>The Chair confirmed that this action is ongoing and will therefore remain on the Action Log.</u></p>
9.	<p>Chairman's Update</p> <p>The Chair advised that there were no issues to update the Forum on.</p>
10.	<p>Priorities Going Forward</p> <p>The Chair stated that it was agreed that this would be discussed at alternate meetings, therefore this item will be deferred until the next meeting.</p>

11.

North West FRS Updates

Cheshire:

CFO Paul Hancock provided the Forum with an update on behalf of Cheshire, as follows:

- IRMP 14 (17/18) consultation concluded on 3rd January – first year of a four year plan – forecasting £4m savings over the next four years, Authority expected to approve the plan and budget/ MTFP on 14th February.
- 16/17 last year of current four year IRMP – 3 of the 4 new stations are now operational: Penketh and Powey Lane (Mollington) went live on 11th January. Lymm station scheduled to go live in April, at which point Stockton Heath and Knutsford stations will move from day crewed to a retained duty system. Safety Centre (Lymm) to be completed in July ready to open in September.
- Redeployments and new management structure (including revised flexi duty system) for the new stations/ fire cover model implemented.
- RDS recruitment ongoing for second pumps at Crewe and Ellesmere Port.
- Two new ALP's now on the run at Chester and Stockton Heath (£1.2m Capital investment).
- WM development programme – first cohort completed.
- Wholetime trainees commenced their training on 9th January.
- Apprentices successfully completed their Prince's Trust Team programme. Now spending time with HQ functional departments as part of their apprenticeship programme – 11 on scheme (4 females – 33%).
- PID for Training Centre Project at Sadler Road (£7m capital investment) completed and approved.
- Police collaboration on track and making progress – ICT team TUPE transferred on 1st November; number of other teams currently co-located with TUPE transfer dates scheduled for later in the year. PO team scheduled to move to Clemonds Hey in August. Programme on track for completion by April 2018.
- Members have invited the PCC to Authority meetings and Planning Days as a precursor to changing the Authority's constitution to allow him to be a member (non-voting rights) of the Authority.

Cumbria:

CFO Paul Hancock provided the Forum with the following update on behalf of Cumbria:

- CC Elections in May
- Katherine Fairclough appointed as new Chief Executive with effect from 1st March (currently Deputy Chief Executive at Warrington BC).
- Significant financial challenges for the CC - £52m for 17/18. FRS savings are £600k – these will be realised by management restructure (implemented 1st November 2016), changes to crewing at Penrith, plus savings from pensions contributions (Modified scheme and the 92, 06 and 15 schemes). CC budget to be presented to Full Council in February.

- Cabinet recently approved IRMP 14 (17/18) – 12 hour shifts, EMR and Safe and Well Assessments.
- Now developing plans for 18/19 and beyond for the new administration. Mergers and station closures not currently options.
- Furness Peninsula Blue Light Hub progressing: CFRS, NWAS, Police and ASC to be located in the same building (partly funded by transformation monies from DCLG).
- PCC recently written to the Leader of the Council suggesting a meeting to discuss collaboration opportunities and governance of the FRS.
- EMR finally progressing – hopefully we will have a number of pilots starting shortly (likely to be retained/ on-call stations only).
- Wholtime recruitment concluded. Trainees start their training on 20th February.

Greater Manchester:

DCFO Paul Argyle updated the Forum on the following, on behalf of Greater Manchester:

- Currently in the process of refreshing the 4 year IRMP, which identifies the requirement for a further £14m of savings. This will be the first fire plan of the Mayor.
- Meetings are currently taking place to try to secure a precept increase of 1.9%. Some underspends will be used initially, however these are one-off savings. Therefore precept increases are still required in order to deliver the IRMP.
- Negotiations are underway regarding changes to the crewing system. Branches are out voting at present, the result of which is expected later today.
- Greater Manchester will recruit 100 firefighters in the next financial year, who need to reflect the local community. GM Police have been successful in achieving this during their recruitment, therefore a similar approach will be taken by GMFRS.
- The keys have now been received for the new Safety Centre, which it is anticipated will be fully functional by April.
- A series of reviews are underway to reduce support functions, with voluntary and compulsory redundancy being utilised. As we move into the Combined Authority, some of the support functions such as ICT and HR will become the functions for the Combined Authority.
- The tri-station at Irlam is due to go live later in the year (August).
- Currently operating with 126 fewer firefighters than the established amount. The resulting underspend will be used to purchase appliances.
- Waiting for the Apprenticeship levy in come in in May, to introduce Firefighter recruit apprentices.

Lancashire:

CFO Chris Kenny provided an update on the following, on behalf of Lancashire:

- The creation of a Combined Authority within Lancashire would add an extra tier of governance, however Police and Fire would both be low priority for the Combined Authority.
- Work has been undertaken around identifying a suitable replacement appliance for the ALP's, which are underutilised. An appliance called the "Stinger" has been identified, which is something between an ALP's and a normal appliance; and is capable of puncturing and injecting water. The cost of the "Stinger" is approximately half way between a normal appliance and an ALP. Lancashire are looking at leasing the appliances, which is a low risk option (the appliances would cost approximately £360k each to purchase).
- In terms of recruitment, an advert will be going out in March for transferees to the RDS.
- Looking at changes to the retained salary and injecting £300k to increase the retained pay.
- Working in collaboration with Cheshire and Cumbria to identify alternative, lightweight technical rescue jackets. A procurement exercise will be undertaken shortly.
- With regards to the development of joint ambulance and fire stations, a meeting had taken place with NWS before Christmas to discuss how this could be progressed.

Discussion took place regarding engagement with NWS and what FRA's can potentially offer to NWS to help ease some of the pressure placed on the service.

Merseyside:

Dan Stephens congratulated Paul Hancock on implementing the Station Builds; and Chris Kenny on the development of Aerial technology.

He then provided an update as follows, on behalf of Merseyside:

Station Mergers

- The planning application for the new stations at Saughall Massie was refused on a vote of 7 – 6 at the Planning Committee meeting held on 15th December 2016.
- The Authority has three options, which are to accept the decision and move to the outright closure of West Kirby; to appeal the decision to the Secretary of State; and/ or to submit a revised planning application. The last two options can be undertaken concurrently, which is the intention of Officers.
- Construction is now underway on the joint FRS Police station at Prescott, with a completion date anticipated in the autumn. Overall cost is anticipated at £8m.

- A desktop study has outlined a build cost of circa £8m for the new station at St. Helens to replace Eccleston and Parr Stocks Road.

Budget Setting

- The Authority Budget Meeting will be held on 23rd February 2017 and will also agree the IRMP 2017-20.
- The CFO has identified additional support services and technical savings in order to limit the impact on operational response and to allow the Authority to still meet the 10 minute response standard to life risk incidents on 90% of occasions. Initially the savings distribution was £7m support and technical, £4m from response (total of £11m).
- Of the £11m savings, £1.9m will be delivered from response. This will result in the loss of an additional 48 FF posts, which will be achieved through crewing 4 existing WT appliances on 12 hour WT days with retained cover on a 30 minute recall out of hours.
- A recruit course with 16 trainee Firefighters is due to pass out in February. This cohort will initially be posted to Aintree and Kensington, which are crewed on a days and retained basis already by the previous trainee course, supplemented by experienced Firefighters and Watch Managers. This will form a two pump station at each location to allow the latest cohort of trainees to gain more experience prior to moving on to the next of the stations identified for a change in crewing in around 12 months' time.
- Currently in talks with LJMU over degree apprenticeships, for 300 recruits over the next 10 years.

Police Fire Collaboration

- The outcomes of the Deloitte report have been considered by Chief Officers, the FRA and the PCC.
- The findings of the Deloitte report will now be used as the basis to develop collaboration options across all 18 functional areas for further consideration.
- DS attended a meeting of the Home Office Gold Group yesterday and raised the issue of FRS access to Transformation and Efficiency Funding.

National Resilience

- A project plan has been developed for the transition of the FRSNCC function from LFB to MFRA/ NRAT by 1st April 2017.
- Home Office are in the process of novating the Long Term Capability Management contract across to MFRA. This is planned to take effect by 1st April 2017.
- MFRA will also deliver the NR training contract in conjunction with the sector on a cost recovery model also with effect from 1st April 2017.

It was agreed that the Saughall Massie Report being submitted to the Authority Meeting on 26th January 2017, be shared with the Forum.

PH stated that he would like to visit MFRA to see the National Resilience set up.

It was therefore agreed that the next meeting of the Forum would be hosted by MFRA.

Clr Doughty commented that he was very interested in the approach taken to integrating recruits into the service.

He also commented on recent conferences he has attended regarding resilience, where he felt that the content was too narrow, focusing only on response – not recovery.

Discussion took place regarding this issue and it was acknowledged that responsibility for the recovery phase lies with the local authorities, not FRA's, although this is an issue being considered at present.

11.	<p>Any Other Business</p> <p>The Chair advised that Peter Holland was about to retire.</p> <p><u>It was agreed that the Forum write to him and wish him well for the future.</u></p> <p>The Chair stated the importance of the Forum understanding the changes within CFOA (introduction of the NFCC) and their collaborative work with the LGA; and how the Forum can link in moving forward.</p> <p>The Chair also referenced the new Inspectorate regime and understanding what it will mean for the Forum in the future.</p> <p><u>It was agreed that developments in relation to these items, continue to be monitored by the Forum.</u></p>
12.	<p>Date of Next Meeting:</p> <p>The next meeting of the Forum will be held on 31st May 2017.</p> <p>As resolved, this meeting will be held at the JCC – MFRA Headquarters.</p>
	<p>Close of Meeting.</p>

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LANCASHIRE COMBINED FIRE AUTHORITY

Meeting to be held on 20 February 2017

PROCEEDINGS OF AUDIT COMMITTEE HELD 26 JANUARY 2017

(Appendix 1 refers)

Contact for further information:

Diane Brooks - Principal Member Services Officer – Tel (01772) 866720

Executive Summary

The proceedings of the Audit Committee meeting held on 26 January 2017.

Recommendation

To note and endorse the proceedings of the Audit Committee meeting as set out at Appendix 1 now presented.

Information

Attached at Appendix 1 are the proceedings of the Audit Committee meeting held on 26 January 2017.

Business Risk

Nil

Environmental Impact

Nil

Equality & Diversity Implications

Nil

Financial Risk

Nil

HR Implications

Nil

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact
N/A		Diane Brooks
Reason for inclusion in Part II, if appropriate: N/A		

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LANCASHIRE COMBINED FIRE AUTHORITY

AUDIT COMMITTEE

Thursday, 26 January 2017, at 10.00 am in the Main Conference Room, Service Headquarters, Fulwood.

MINUTES

PRESENT:

Councillors

C Crompton (Chairman)
P Britcliffe
F De Molfetta (for D Stansfield)
M Khan
M Perks
J Shedwick (Vice-Chair)
D Smith

Officers

K Mattinson, Director of Corporate Services (LFRS)
D Russel, Assistant Chief Fire Officer (LFRS)
D Brooks, Principal Member Services Officer (LFRS)

In attendance

C Stead, External Audit, Grant Thornton
J Taylor, Internal Audit, Lancashire County Council

22/16 APOLOGIES FOR ABSENCE

Apologies for absence were received from County Councillor Stansfield.

23/16 DISCLOSURE OF PECUNIARY AND NON-PECUNIARY INTERESTS

None received.

24/16 MINUTES OF PREVIOUS MEETING

RESOLVED: - That the Minutes of the last meeting held on 29 September 2016 be confirmed as a correct record and signed by the Chairman.

25/16 EXTERNAL AUDIT - ANNUAL AUDIT LETTER 2015/16

The External Auditor's Annual Audit Letter represented an overall assessment of the Authority's performance, drawing on the Auditor's findings and conclusions from their work, which had previously been reported to the Audit Committee.

Members considered the Annual Audit Letter which summarised Grant Thornton's 2015/16 audit of the Authority as presented by Caroline Stead.

The Auditors had issued:

- an unqualified opinion on the Authority's 2015/16 financial statements on 29 September 2016, meeting the deadline set by the Department for Communities and Local Government. The opinion confirmed that the financial statements gave a true and fair view of the Authority's financial position and its income and expenditure for the year;
- an unqualified value for money conclusion for 2015/16 on 29 September 2016.

RESOLVED:- That the Audit Committee note and endorse the content of the Annual Audit letter 2015/16.

26/16 EXTERNAL AUDIT - AUDIT COMMITTEE UPDATE 2016/17

The Committee considered a report from the External Auditors presented by Caroline Stead which detailed progress at January 2017 in relation to the financial statements and value for money conclusion for 2016/17. The report also set out Accounting and Audit issues (which related to: i) the changes to the Code of Practice on Local Authority Accounting, details of which were awaited in order to incorporate into the accounts; and, ii) flexible use of capital receipts; which it was not anticipated would be taken advantage of in 2016/17). In addition the report included sector issues which related to future control room improvements.

RESOLVED:- That the Audit Committee note and endorse the report.

27/16 INTERNAL AUDIT MONITORING REPORT

The Internal Auditors produced a summary of progress against the annual plan for each Audit Committee meeting, setting out progress to date and any significant findings. The report for the period up to 13 January 2017 was presented by Judith Taylor.

It was noted that work carried out during the period 1 April 2016 – 13 January 2017 was in accordance with the agreed audit plan. Details of the progress included assurance provided and key issues identified for each of the areas completed to date. Progress to date in relation to the Plan was provided and discussed by Members.

It was confirmed that from the work undertaken to date no key issues had been identified that would have implications for the Authority's internal control environment as a whole.

RESOLVED:- That the Audit Committee note and endorse the report.

28/16 AUDIT COMMISSION - CONSULTATION ON 2017/18 WORK PROGRAMME AND SCALE OF FEES

The Public Sector Audit Appointments Limited (PSAA), the successor to the Audit Commission, was responsible for managing the audit contracts previously let by the Audit Commission, and would set 2017/18 scale audit fees for relevant local government bodies under statutory powers delegated to it on a transitional basis by the Secretary of State for Communities and Local Government. This was the final year for which PSAA would set fees under the transitional arrangements.

PSAA was now consulting on the proposed work programme and scales of fees for 2017/18 audits. The consultation set out the work that auditors would undertake, with the associated scale fees. There were no changes to the overall work programme for 2017/18. They had therefore proposed that the scale fees were set at the same level as the fees applicable for 2016/17. These fees reflected the significant reductions made to scale fees since 2012/13.

The work that auditors would carry out on the 2017/18 accounts would be completed based on the requirements set out in the Local Audit and Accountability Act 2014 and under the Code of Audit Practice published by the National Audit Office.

Following completion of the Audit Commission's final accounts, PSAA had received a payment in respect of the Audit Commission's retained earnings. PSAA would distribute this and any other surpluses from audit fees to principal local government and police bodies on a timetable to be established during 2017.

The consultation closed on Friday 12 January 2017. Given there was no change in scale of work or fees, and after consultation with the Chairman and Vice-Chairman a formal response to the document had not been submitted.

RESOLVED:- That the Audit Committee note and endorse the consultation document as set out in the report.

29/16 CHANGES TO ARRANGEMENTS FOR APPOINTMENT OF EXTERNAL AUDITORS

As previously reported, the external auditor for the audit of the accounts for 2018/19 had to be appointed before the end of 2017. As such the Committee had agreed in March 2016 to indicate its intention to "opt-in" to the national Sector Led Body.

The Secretary of State had now appointed Public Sector Audit Appointments (PSAA) to appoint local auditors under a national scheme. Although it was for the Audit Committee to consider this issue, the relevant regulations meant that the full Authority had to determine whether they wished to opt in to this or not. If so, the timetable required the Authority to formally opt in to this scheme by 9 March 2017.

Members considered the information relating to the scheme set out in Appendix 1; some of the key points were:

- Auditor appointments would operate for audits of the accounts from 2018/19 and for a period of 5 years.
- The scheme would save time and resources for local government bodies.
- A collective procurement should result in the best prices, keeping the cost of audit as low as possible without compromising on audit quality.
- The Local Audit and Accountability Act 2014 provided that firms must be registered as local public auditors with one of the chartered accountancy institutes acting in the capacity of a Recognised Supervisory Body (RSB). The quality of registered firms' work would be subject to scrutiny by both the RSB and the Financial Reporting Council (FRC), under arrangements set out in the Act.
- Public Sector Audit Appointments would only contract with audit firms that had a proven track record in undertaking public audit work.
- Scale fees would be determined by the prices achieved in the auditor procurement and hence would not be known until the exercise was completed. However fee levels would be carefully managed by securing competitive prices from firms and by minimising Public Sector Audit Appointments own costs.
- Contracts were likely to be awarded at the end of June 2017, following which Public Sector Audit Appointments would consult on the proposed scale of fees in autumn 2017 and publish the fees applicable for 2018/19 in March 2018.

The Director of Corporate Services proposed the Committee recommend opting-in to the national procurement being undertaken by the Public Sector Audit Appointments to the Authority at its next meeting in February. This option was more likely to minimise procurement costs and resources, maximise buying power and hence likely to result in the most competitive audit fees and this would also remove the costs of establishing an auditor panel.

Members understood that the national procurement process would be the same as adopted in previous years by the Audit Commission however; concern was expressed around awarding the contract without knowledge of the scale of fees.

Following discussion it was agreed that a separate report be provided to the Authority meeting in February which would include full details of the options and processes involved for the appointment of external auditors as reported previously to the Audit Committee.

RESOLVED:- That the Committee refer a decision to the full Authority at its meeting in February 2017.

30/16 AMENDMENTS TO THE SCHEME OF DELEGATION

The Combined Fire Authority operated a Scheme of Delegation, which specified what powers were delegated to the Chief Fire Officer, Treasurer and Clerk of the Authority.

Currently the scheme set out the powers delegated to the Chief Fire Officer relating to staffing proposals as:-

To approve in any financial year, subject to the action being within budgetary provision: -

- The disestablishment, transfer or extension of up to twenty five posts;
- The creation of up to twenty five posts or part posts; and
- The regrading of up to twenty five posts.

It was proposed that the powers delegated to the Chief Fire Officer to approve in any financial year, the creation, disestablishment, regrading, transfer or extension of posts, subject to the action being within approved staffing budget and providing it did not commit the Authority to significant additional expenditure in future years, in order to provide greater flexibility in the use of staff, whilst maintaining the link to overall staffing budgets and future financial commitments.

Following discussion Members agreed to leave the wording as currently set out in the Scheme but to add “any additional disestablishment, transfer, extension, creation or regrading of posts to be agreed in consultation with the Chairman of the Authority”.

RESOLVED:- That the Audit Committee agree the revision to the scheme of delegation as detailed above.

31/16 RISK MANAGEMENT

The report highlighted action taken in respect of corporate risk since the last Audit Committee meeting.

The latest review of the corporate risk register had not identified any new risks which warranted inclusion on the corporate risk register. Of the existing risks 8 had been reviewed and an updated corporate risk register was considered by Members.

RESOLVED: - That the Committee note the actions taken and endorse the revised corporate risk register.

32/16 DATE OF NEXT MEETING

The next meeting of the Committee would be held on 30 March 2017 at 10:00 hours in the Main Conference Room at Lancashire Fire and Rescue Service Headquarters, Fulwood.

Further meeting dates were noted for 22 June 2017 and 28 September 2017.

33/16 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.

34/16 APPOINTMENT OF INTERNAL AUDITING SERVICES

(Paragraph 3)

Following discussion it was agreed by a majority of 5 (with 2 Members abstaining) to maintain the contract with Lancashire County Council for the provision of internal auditing services.

RESOLVED:- That the Lancashire County Council continue to provide internal auditing services.

M NOLAN
Clerk to CFA

LFRS HQ
Fulwood

LANCASHIRE COMBINED FIRE AUTHORITY

Meeting to be held on 20 February 2017

PROCEEDINGS OF PLANNING COMMITTEE HELD 30 JANUARY 2017

(Appendix 1 refers)

Contact for further information:

Diane Brooks - Principal Member Services Officer – Tel (01772) 866720

Executive Summary

The proceedings of the Planning Committee meeting held on 30 January 2017.

Recommendation

To note and endorse the proceedings of the Planning Committee meeting as set out at Appendix 1 now presented.

Information

Attached at Appendix 1 are the proceedings of the Planning Committee meeting held on 30 January 2017.

Business Risk

Nil

Environmental Impact

Nil

Equality & Diversity Implications

Nil

Financial Risk

Nil

HR Implications

Nil

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact
N/A		Diane Brooks
Reason for inclusion in Part II, if appropriate: N/A		

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LANCASHIRE COMBINED FIRE AUTHORITY

PLANNING COMMITTEE

Monday, 30 January 2017, at 10.00 am in the Main Conference Room, Service Headquarters, Fulwood.

MINUTES

PRESENT:

Councillors

M Parkinson (Chairman)
A Barnes
K Brown
M Khan
A Matthews
D O'Toole
J Shedwick
R Shewan

Officers

J Johnston, Deputy Chief Fire Officer (LFRS)
D Russel, Assistant Chief Fire Officer (LFRS)
B Norman, Head of Service Delivery, Service Delivery Department (LFRS)
S Morgan, Group Manager, Corporate Programme & Intelligence (LFRS)
D Brooks, Principal Member Services Officer (LFRS)
J Harney, Member Services Assistant (LFRS)

14/16 APOLOGIES FOR ABSENCE

Apologies for absence were received from: County Councillor M Green and Councillor F Jackson.

15/16 DISCLOSURE OF PECUNIARY AND NON-PECUNIARY INTERESTS

None received.

16/16 MINUTES OF PREVIOUS MEETING

RESOLVED: - That the Minutes of the last meeting held on the 21 November 2016 to be confirmed as a correct record and signed by the Chairman.

17/16 IRMP - 2017 TO 2022 - CONSULTATION OUTCOMES

The Deputy Chief Fire Officer introduced Area Manager Norman who presented the draft IRMP document in detail.

At the Combined Fire Authority meeting on 21 November 2016, Members endorsed

the publication of the draft Integrated Risk Management Plan (IRMP) 2017-22 for consultation over a six-week period from 28 November 2016 to 8 January 2017.

During this time a consultation exercise was undertaken with staff, partners and service users, full details of which were contained in the body of the report. In addition, the report detailed the consultation process requirements and any resulting amendments that had been included in the proposed final version of the IRMP.

INFORMATION AND BACKGROUND

Integrated Risk Management Planning (IRMP) brought with it a consultation requirement. The Fire and Rescue National Framework for England highlighted the government's expectations that each Fire and Rescue Authority's IRMP must 'reflect effective consultation throughout its development and at all review stages with the community, its workforce, representative bodies and partners.

The guiding principle in deciding the extent of consultation was that any person or organisation that might have a legitimate interest in the proposals under consideration, or who might be affected by those proposals, should have the opportunity to express their views. Government also recommended that the scale and scope of the consultation should be proportionate to the nature and extent of any changes whilst consultation from a public perspective was typically dependent on changes to Service provision and possible perceived changes to public safety.

Taking into consideration these principles the approach in using countywide forums for in-depth public consultation, which had been undertaken with previous IRMP documents, had not been adopted. Nor was there a detailed staff consultation approach in the form of working groups / presentations this was because this IRMP was not linked to an Emergency Cover Review and there were no specific items as such for consultation.

In addition the Authority's consultation strategy had been in place since the new IRMP arrangements were introduced in 2003. The strategy, which was reviewed on an annual basis, is in place to ensure consultation activities met statutory requirements; incorporated good practice and provided the public and stakeholders with timely opportunity to influence development of LFRS documents. The consultation exercise for the draft IRMP 2017-22 was duly conducted in accordance with this strategy.

THE CONSULTATION PROCESS

The timetable of activity is shown below: -

<u>DRAFT INTEGRATED RISK MANAGEMENT PLAN (IRMP) 2017-22</u> <u>TIMETABLE</u>	
Draft publication approved and proposed consultation process endorsed.	CFA meeting 21 November 2016
Consultation with the community, staff and other interested parties.	28 November 2016 – 8 January 2017
Consultation report and final recommendations to Planning Committee.	CFA Planning Committee 30 January 2017
Publication presented for final approval and publication	Full CFA meeting 20 February 2017
Feedback on outcomes.	March 2017

Consultation commenced on 28 November 2016 and ran for a six-week period ending on 8 January 2017. Opinion on the content and format of the draft IRMP 2017-22 was sought from a wide range of stakeholders. The following were consulted: -

THE FOLLOWING GROUPS WERE INFORMED AND INVITED TO PARTICIPATE IN THE CONSULTATION	
All LFRS Staff	Office of the PCC
All County Councillors	NHS Trusts / Commissioning Groups
All Unitary/District Councillors	Lancashire Resilience Forum
CEO's of all district & unitary authorities	MP's and North West MEP's
CEO of Lancashire CC	Parish Councils
Combined Fire Authority Members	Representative Bodes
Chief Fire Officers (NW Region)	North West Fire Control
Fire and Resilience Directorate	North West Ambulance Service
Lancashire Constabulary	Other Miscellaneous

On behalf of the CFA in excess of 2000 stakeholders were contacted explaining the draft IRMP 2017-22 and how to access it electronically. All recipients were invited to comment on the content. The majority of communication was done via email with a hyperlink provided to facilitate ease of access to the document. Links to the document were placed on the Service's Intranet site and the Service's external web site (www.lancsfirerescue.org.uk) and participation in the consultation was encouraged through the Services' social media platforms, Facebook and Twitter. Further communication was undertaken via letter with communication going out to appropriate parties when no email address was available. Hard copies of the document were also provided upon request (with only one request received).

STAFF CONSULTATION

Publication of the draft IRMP 2017-22 was brought to the attention of all LFRS staff through various channels. All users email; this provided a link to the document and

guidance stating the consultation period and the processes to use for the submission of feedback, views or observations. Further invitations were issued via the routine Bulletin each week during the consultation period and through the Service's internal intranet site. Staff representative bodies were advised of the consultation exercise via email and were provided with a link to the document and the process to use for the submission of feedback, views or observations.

PUBLIC CONSULTATION

The draft IRMP, LFRS's primary enabling document, was under-pinned by various other strategic Service publications and does not contain any detailed proposals for change. This draft IRMP enabled the Service to remain in a progressive position as documents such as the Annual Service Plan and Strategic Assessment of Risk would be hyperlinked from the document, with annually amended and updated versions made available in a real-time manner. The public remain a valued stakeholder and any proposals that require future consultation during the lifespan of the IRMP i.e. the Emergency Cover Review, would be developed in line with policy, so views could be actively sought and considered.

Formal Responses

A total of 11 responses were received from the following:

- 5 from LFRS Staff;
- 2 from the Fire Brigades Union (FBU);
- 4 from members of the public, elected representatives and/or other organisations.

A further two responses were received after the official consultation period had closed. To ensure the broadest possible range of opinion was captured, these responses had been included as part of this outcome report. Members considered all responses.

SUMMARY OF RESPONSES

The majority of responses required only a standard acknowledgement as they contained general comments and no specific questions were asked. Many respondents queried the length and timing of the consultation and expressed concern due to constraints with the Christmas and New Year holiday period falling during the consultation period. Nevertheless, no extensions were sought, as it was recognised that no specific proposals that would require a comprehensive evaluation were included in the document. Many respondents felt that the draft IRMP 2017-22 provided a clear summary and overview of the organisation and were supportive of ambitions detailed with the document. The Chief Constable of Lancashire Constabulary highlighted that the document complemented his organisation's mission and communicated their commitment to future partnership opportunities. Some of those who responded made suggestions to improve or add to the content and where appropriate these had been encompassed with the document.

Minor changes were requested to strengthen the link to climate change and the

environment so the IRMP 2017-22 and the Safety, Health and Environment Policy were integrated. These changes would evidence the Service's ongoing commitment to adapt to and mitigate the changing climate and minimise the impact on the environment. The Climate Change and Environment Strategy was agreed by Members in 2009 to ensure that Climate Change and Environmental responsibilities were fully embedded across the Service and integrated at all levels. The improvement objectives outlined in the strategy had been completed and Climate Change and Environmental considerations were now embedded into Service planning, policies and procedures. It was proposed that the Climate Change and Environment Strategy were embedded within the IRMP.

The Community Safety Strategy was agreed by Members in 2014, this formed an integral part of the IRMP 2013-17. The draft IRMP 2017-22 fully integrated the Community Safety Strategy and embedded its message. The need to have a separate strategy document would be negated once the IRMP 2017-22 was in place.

A response was received expressing concerns that fracking was not prevalent within the document. This industry and any potential associated risks would be thoroughly monitored and reviewed by LFRS by our Response and Emergency Planning team and Site Specific risk information would be collated as required. All of the Service's risks were documented and assessed with the Strategic Assessment of Risk document which was updated on an annual basis to evidence risk requirements and going forward this would include risks identified surrounding fracking. The Service would also continue to work closely with our multi agency partners through Lancashire Resilience Forum (LRF) and create a coordinated multi agency response plan for strategic risks as identified. This would ensure that detailed risk plans were developed through appropriate channels in line with any potential risks that fracking may present. We would write to those who raised concerns to give a full response to the specific area of concern and provide an overview of how LFRS would manage any emergent strategic risk in line with our existing arrangements.

Representative Bodies

The FBU's response welcomed the opportunity to comment on the draft IRMP. The main points raised were: -

- Supportive of the format and presentation of the draft IRMP.
- Felt it was premature to state, "Delivery of integrated public services would see us continue to build on our co-responding partnerships".
- Highlighted that nationally the FBU remains opposed to Police and Crime Commissioners taking on responsibility for the delivery of Fire and Rescue Service's.
- Welcome the commitment to transform workforce diversity.
- Supportive of the four themes of helping people to start safe, live safe, age safe and be safe on our roads.
- Welcome the commitment to "identify key lessons through effective debriefing to ensure future operational response continues to evolve".
- Reserve comment for the separate consultation currently taking place on the capital and revenue budgets.

All submissions were reproduced in full, but as the originators and their respective contact details were clearly evident, circulation in this format was restricted to Authority and LFRS Executive Board members only. A redacted version was included in electronic format with the agenda paper on the LFRS website.

NEXT STEPS

Subject to Planning Committee approval, a final version of the IRMP 2017-22 would be presented to the full CFA at its meeting on the 20 February 2017 for Member approval. With CFA approval the IRMP would be published in early April 2017 and communicated to all consultees via letter or email. An electronic version for access/download would be available on LFRS website along with more detailed information. To ensure currency of content, the IRMP 2017-22 would be subject to an annual review/refresh to ensure that all links within the document were up to date and relevant.

In response to a question raised by CC D O'Toole, it was agreed that future consultation responses would be displayed with the query before the answer to make it easier to read.

In response to Member concern that of the thousands of people who were contacted for their comments there were only eleven respondents, the Deputy Chief Fire Officer confirmed that the Authority's Consultation Strategy enabled consultation to be proportionate to the nature and extent of any proposal being considered. This consultation was over a 6 week period and in a much more electronic format. In addition, this consultation did not involve using externally facilitated user groups.

RESOLVED: - That the Planning Committee: -

1. Endorse the consultation process surrounding the draft Integrated Risk Management Plan (IRMP) 2017-22 as adequate in scale and scope.
2. Agree the Climate Change and Environment Strategy and Community Safety Strategy are embedded within the IRMP 2017-22.
3. Refer final recommendations to the full Combined Fire Authority meeting of the 20th February 2017 for approval to publish.

18/16 DATE OF NEXT MEETING

The next meeting of the Committee would be held on Monday, 20 March 2017 at 10:00 hours in the main Conference Room at Lancashire Fire and Rescue Service Headquarters, Fulwood.

Further meeting dates were noted for 17 July 2017 and 27 November 2017.

M NOLAN
Clerk to CFA

LFRS HQ
Fulwood

LANCASHIRE COMBINED FIRE AUTHORITY

Meeting to be held on Monday 20 February 2017

INTEGRATED RISK MANAGEMENT PLAN 2017 – 2022

(Appendix 1 refers)

Contact for further information:

Justin Johnston, Deputy Chief Fire Officer - Tel: 01772 866801

Executive Summary

Integrated risk management planning provides Lancashire Fire and Rescue Service (LFRS) with the opportunity to detail what the Service aims to do to identify and consider the full range of fire and rescue related risks across Lancashire. This ensures that both our communities and other interested parties are provided with detail of how we intend to fulfil our responsibilities in a clear, cohesive manner.

At the Planning Committee meeting on the 21 November 2016, Members endorsed the publication of the draft Integrated Risk Management Plan (IRMP) 2017-22 for consultation over a six week period from 28 November 2016 to 8 January 2017.

Following the consultation period a final version of the plan was presented to Members of Planning Committee on 30 January 2017, with a detailed report on the consultation process, its outcomes and any resulting amendments that were recommended for incorporation within the final version of the plan.

Members of the Planning Committee agreed that the consultation undertaken was sufficient and endorsed the proposed amendments which have been incorporated into the final version presented today (as appendix 1).

Recommendation

The Authority is requested to approve the draft Integrated Risk Management Plan 2017-2022 and authorise publication.

Information and Key Changes

The new Integrated Risk Management Plan (IRMP) 2017-2022 will be Authority's replacement for the current IRMP 2013-2017. This plan has been developed to be an overarching, enabling document that provides hyperlinks to all of LFRS's strategic documents such as the Annual Service Plan and Strategic Assessment of Risk. This delivers the opportunity for the Service to remain in a progressive position over the lifespan of this IRMP as these links will provide the pathways to the most up to date documents. This plan does not however detail the Emergency Cover review; this will be undertaken and consulted upon separately during 2017/18.

Our Values have been brought to life with enhanced definitions of the STRIVE acronym, this provides the building blocks to support our staff to continue to develop a working environment in which everyone can feel engaged, valued and respected.

The strategic risks that have been previously documented within the IRMP have been removed as they are now referenced within the Strategic Assessment of Risk. This new publication provides a comprehensive assessment of fire and rescue related risk to facilitate an improved risk picture that is refreshed and updated on an annual basis.

The Community Safety Strategy has been encapsulated within the IRMP highlighting the importance of the inter-locking components of Start Safe, Live Safe, Age Safe and Road Safe that remain at the core of our approach to reducing risk and improving public safety. As approved by the Planning Committee, this removes the requirement for a separate Community Safety Strategy.

Significant progress has been made with Climate Change and Environment responsibilities which are now thoroughly embedded and entrenched within Service planning, policies and procedures. Therefore the Climate Change and Environment Strategy has been encompassed within this new IRMP, thus negating any further need for a separate Climate Change and Environment Strategy document.

Next Steps

Following CFA approval the IRMP 2017-22 will be published in early April 2017 and will be available to access/download on the LFRS website. The IRMP will be maintained on an annual basis to ensure that all links within the document are up to date and relevant.

Benefits

Approval of the draft IRMP 2017-2022 will allow us to meet the statutory requirements as outlined within the National Framework document.

Financials

Production of the IRMP falls within existing budgets and no abnormal spends are anticipated. As with the publication of the last IRMP, the move to publishing the IRMP in a fully digital format reduces costs compared to previous printed versions.

Business Risk

Production of the IRMP is a business critical planning function. LFRS must produce an IRMP in line with National Framework guidance issued by central government.

Environmental Impact

Inevitably there will be a requirement for a printed version of the IRMP (on request) however the approach taken will be 'digital by default' and therefore the environmental impact will be minimal with no sustainability issues identified.

Equality and Diversity Implications

An initial Equality Impact Assessment was undertaken for the IRMP 2017-22. Usual distribution media will be employed to assist persons with access to information. The IRMP will be available in a variety of languages and/or a format suitable for impaired consultees.

HR Implications

None

Paper	Date	Contact Justin Johnston Tel. 01772 866801
Reason for inclusion in Part II, if appropriate:		

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Lancashire Fire
and Rescue Service

Integrated Risk Management Plan

2017-22

Page 59



Preventing



Protecting



Responding



Valuing



Delivering

making Lancashire safer

Welcome to our Integrated Risk Management Plan (IRMP)

Lancashire Fire and Rescue Service is a strongly performing organisation, in good financial health; despite the fact that during the course of our last IRMP we faced our most difficult operating conditions ever. During this time we had good plans, coped well and achieved strong results – saving £14m to meet budget deficits; making significant transformational changes to our services and achieving a 27% reduction in deliberate and accidental fires. We are well placed to focus this plan on meeting the future changing needs of our communities.

Our aim remains the same: to make Lancashire safer. Understanding Lancashire's demographics and continuing to explore how they will change in the future provides us with the insight to ensure we continue to create the capacity and capability to meet these needs and fulfil our aim.

Future predictions indicate a trend of an ever-growing and ever-aging population; increasing weather-related events; growing frequency of road traffic collisions; increasing demand on health and social care services and rising incidents relating to mental health issues.

By focusing on clear priorities, we make effective use of our resources to address these issues; increasingly working with our strategic partners to deliver integrated public services. This period will see us rolling-out emergency first responding, a scheme where we respond to medical emergencies alongside colleagues in the North West Ambulance Service; and further development of our home visits to incorporate “safe and well” advice and interventions. Working collaboratively and in partnership is nothing new in Lancashire but over the course of this IRMP we expect to play an active role in the development and delivery of integrated public services.

Our commitment to preventing, protecting and responding to incidents remains; with a clear focus on delivering services which aim to help people start safe, live safe, age safe and be safe on our roads.

We know that our success would not be possible without our team of professional staff who have in their hearts the desire to help people. We have always worked hard to provide the best equipment, excellent training and support to our teams but this plan places more emphasis on the things that we do

to value our staff; recognising the key role they play in developing our organisation.

Finally, whilst our financial position is enviable, we must continue to make the best possible use of our resources at all times as pressure on the public purse remains a feature of our operating climate.

Together, we assure you of our collective commitment to making Lancashire a safer place.



Francesco De Molfetta
Chairman
Lancashire Combined Fire Authority

A handwritten signature in black ink, appearing to read 'F. De Molfetta'.



Chris Kenny
Chief Fire Officer
Lancashire Fire and Rescue Service

A handwritten signature in black ink, appearing to read 'Chris Kenny'.

Our County

Lancashire comprises the twelve districts within the Lancashire County Council area and two unitary authorities of Blackburn with Darwen and Blackpool. It covers just over 3,000 square kilometres including 123 kilometres of coastline from West Lancashire in the south to Morecambe Bay in the north, including the major tourist resorts of Blackpool, Fleetwood and Morecambe. With a resident population of 1.45 million, it is one of the most populated and urbanised shire counties in Britain, with a legacy of historical industrial heritage. Conurbations include Preston, Lancaster, Burnley, Blackburn, Blackpool and Skelmersdale. Large parts of the county are sparsely populated with coastal and estuary landscapes; moorland or arable countryside. Major motorways traverse the county with the M6 running through its entire length; as does the West Coast Mainline. There are ports at Heysham and Fleetwood and an airport in Blackpool. There are two nuclear facilities within the County – Heysham and Springfields – and industrial sites which require special plans to deal with hazards under COMAH legislation. Off shore wind

generation and oil fields sit off the coast in Morecambe Bay. During 2017 we expect to see the construction of sites to deliver shale gas extraction or “fracking”. - There are three large universities in Lancaster, Preston and Ormskirk and the County’s major hospitals are in Blackburn, Preston, Blackpool and Lancaster.

Lancashire Combined Fire Authority

Lancashire Fire and Rescue Service (LFRS) is accountable to the Lancashire Combined Fire Authority (CFA) which is made up of 25 elected councillors drawn from Lancashire County Council, Blackburn with Darwen Council and Blackpool Council. The CFA is legally responsible for the enforcement of the Regulatory Reform (Fire Safety) Order 2005 which is applicable across England and Wales. This Order places the responsibility on individuals within an organisation to carry out risk assessments to identify, manage and reduce the risk of fire within public and commercial buildings. The CFA meets five times a year to make key strategic decisions and has a number of committees which

focus on a particular area for scrutiny. You can find out more about the Authority [here](#).

Lancashire Fire and Rescue Service

LFRS delivers Prevention, Protection and Response functions across the county of Lancashire. We employ staff in a variety of roles who operate from 39 operational bases. We also work extensively with partner organisations to allow for a more efficient and effective delivery

More information on LFRS and the current organisational structure chart can be found on our [website](#).



1. Integrated Risk Management Plan – Aim, Priorities and Values Overview

Our Aim – What We're Here For:

Our aim describes what we are here for: **Making Lancashire safer** is our commitment to making sure that *everything* we do improves the safety of our diverse communities.

Although it is important, our aim is more extensive than simply responding to fires and other emergencies. We use our skills, experience and resources to make people safer in much broader terms across life's stages; helping people to **start safe; live safe; age safe and be safe on our roads.**

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Our Priorities – What We Do:

Our **priorities** are the things we think are most important to helping us achieve our aim of making Lancashire safer. We focus our resources on these areas and use them to develop and deliver the activities we set out every year in our [Annual Service Plan](#).

- **Preventing**
fires and other emergencies from happening
- **Protecting**
people and property when fires happen
- **Responding**
to fire and other emergencies quickly and competently
- **Valuing**
our people so they can focus on making Lancashire safer
- **Delivering**
value for money in how we use our resources

Our priorities are so important to us that our CFA uses Key Performance Indicators to measure performance against them every three months. Progress is reported to the Performance Committee in the [Measuring Progress](#) report.

Our Values – What We Believe in:

Our **values** are the qualities that we believe are the most important to us and describe the expectations the public have of us and that we have of each other.

We use them every day to influence how we work to achieve our priorities and guide the professional behaviours we expect of our staff which we manage through our performance management framework.

As a Service, we STRIVE to achieve our purpose of making Lancashire safer by making sure what we do is guided by strong principles of Service, Trust, Respect, Integrity, Value and Empowerment.

STRIVE	We do our best and make every effort to make Lancashire safer
Service	Making Lancashire safer is the most important thing we do and we work in a diligent and competent way.
Trust	We trust the people we work with and we contribute to a positive workplace.
Respect	We demonstrate consideration of others and we recognise how our behaviour may impact on others.
Integrity	We do what we say we will do and we work in a professional, positive non-judgemental way.
Valued	We actively listen and recognise the contribution of others whatever their role, background, ideas, view or approach.
Empowered	We are encouraged to contribute to decision making, to resolve problems and we are accountable for our decisions, actions and behaviours.

2. Our Future

National Change

The way in which all fire and rescue services are governed is changing. At a national level responsibility for fire and rescue policy has transferred from the Department for Communities and Local Government to the Home Office. The move will influence our future as it is an enabler to the government's commitment to deliver greater joint working between public services.

The government is committed to fire service reform in the coming years and a programme of reform will see changes to:

- **Efficiency and collaboration:** delivery of integrated public services which will see us continue to build on our partnerships. It will also build on joint procurement opportunities and co-location to achieve efficiencies.
- **Accountability and transparency:** this will allow Police and Crime Commissioners the ability to take on responsibility for fire and rescue services locally if a suitable business case were made. It will also deliver changes to our inspection regime and the way we measure performance.
- **Workforce Reform:** this will challenge us to transform the diversity of our workforce and embed our values.

The National Fire Chiefs Council (NFCC) is a newly formed professional body that is scheduled to replace the Chief Fire Officers Association (CFOA), having been developed to provide professional advice to government on matters such as operational guidance, professional standards and sharing best practice. This supporting body will help fire and rescue services build strong relationships and improve communications with each other and with the government and our partners.

It is clear from the national picture, that for all fire and rescue services, further change is on the horizon. Whilst we cannot at present identify all the changes that we will face, we can ensure our service is committed to change and improvement; this will be visible through the activities identified year on year within our Annual Service Plan.

Local Change

Locally the horizon is already changing; proposals are being developed for a [Combined Authority for Lancashire](#). A Combined Authority provides a governance model to work with government across a range of issues affecting the county. This has the potential for a single representative body to shape Lancashire's future in respect of integrated public services and we need to be aware of the future developments.

The ambition is to have integrated public services at the heart of local communities to give everyone the opportunity for a healthier life. We are committed to support the delivery, with our partners, of the Lancashire and South Cumbria Sustainability and Transformation Plan. Our partners in health are facing the same challenges fire and rescue services faced 10 years ago, in that they recognise the need to become more prevention focused to cope with demand. This plan details opportunities to work together to reduce demand by investing in prevention activities as we recognise that firefighters can make a real difference.

3. Serving Our Diverse Communities

We recognise that we can only provide an effective service to our communities if we recognise the diversity within our communities and enable our workforce to meet their needs and concerns.

Our annual report on equality and diversity is one of the ways we communicate how we are meeting our obligations to recognise diversity and promote equality. It reflects our work with our diverse communities as well as reporting key equality data and information. We set and publish our equality objectives based on an assessment of risk to our communities.

Our Communities:

Making Lancashire safer requires us to work with all parts of our diverse communities and to deliver services fairly and equitably – irrespective of ethnicity, gender, age or background. By being better able to understand the needs of people from different backgrounds, we can respond more effectively in an emergency and are more likely to reach them with critical safety information that may prevent them becoming a victim of fire or other emergencies in the first place. This focus also helps us develop and tailor our services to meet specific risks or needs that a particular part of our community may have. **We have agreed the following equality objectives that relate to how we work with our communities:**

- Support local businesses to reduce the risk of fire and remain compliant within fire safety legislation.
- Reduce the number and impact of fire and other emergencies to our diverse communities across Lancashire.
- Develop and deliver a Prevention service targeting our most vulnerable communities.

Our Workforce:

We employ in the region of 1200 staff, with the majority of our workforce employed in an operational capacity. Our Workforce Plan identifies the strategic challenges faced by our staff and the actions we will undertake to meet those challenges. As an employer our aim is to develop a diverse workforce and ensure that our STRIVE values help us to develop a working environment where everyone can feel engaged, valued and respected whatever their backgrounds; where we can work together without fear of bullying, discrimination or harassment. We invest in organisational development ensuring that our leaders have the required skills and competencies to meet the challenges now and in the future. **We have agreed the following equality objectives that relate to our workforce:**

- Promote equality in our workforce policies and workforce practices.
- Develop our staff to ensure they can respond competently meeting the different needs of our diverse communities.

4. Integrated Risk Management

How We Manage Risk

Integrated risk management planning helps us meet the responsibilities placed on us by the **Fire and Rescue National Framework for England**. This requires us to have an IRMP which identifies and assess all the foreseeable fire and rescue related risks and challenges which may arise and sets out how we plan to mitigate these risks. Integrated risk management planning is designed to give fire and rescue services the flexibility to use our resources in the most effective way to save lives, improve public safety and reduce emergency incidents.

Our IRMP is delivered through the production of an **Annual Service Plan**. Each year the Service Management Team discuss and develop our Annual Service Plan to deliver a clear steer on the priority activities we will lead to manage the real issues we face in front of us year on year built around our five priorities.

Our Risk Management Framework



Risk in Lancashire will always remain dynamic: it changes over time, differs by area and demographic and needs different interventions to reduce the likelihood of the risk occurring or to lessen its consequences. We identify these risks in our **Strategic Assessment of Risk**

which is refreshed annually and is also informed by the Lancashire Resilience Forum **Community Risk Register**. Through our risk management framework we continually assess changing risk and prioritise our response framework.

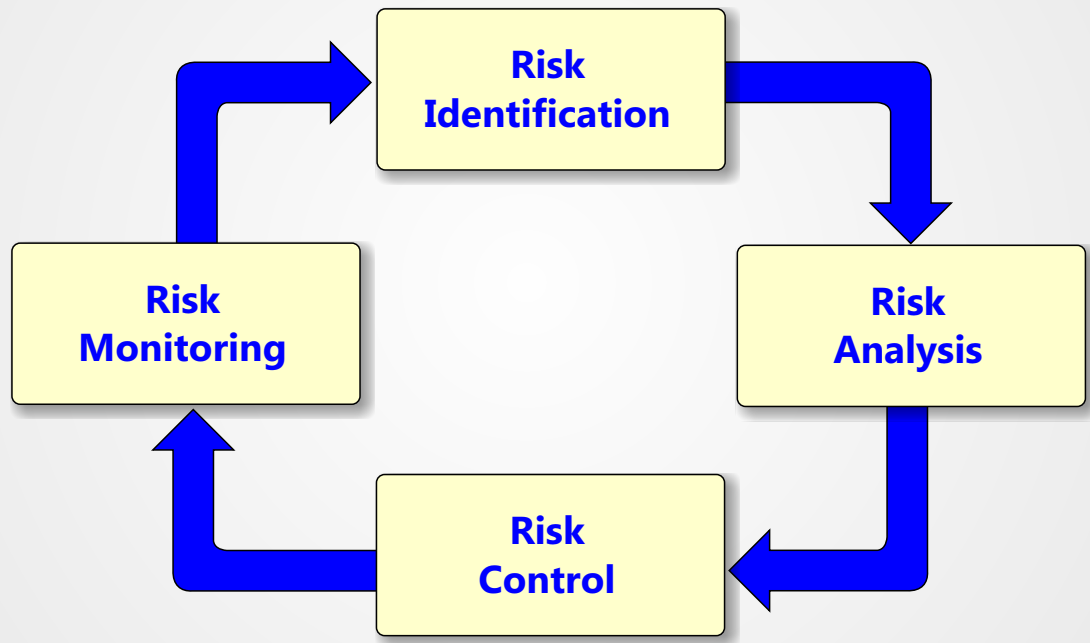
Where areas of risk to LFRS and our business operations are identified they are managed in accordance with our Risk Management Strategy. The purpose of this strategy is to define a simple practical framework to manage risk and it outlines how the organisation recognises, assesses and mitigates key risks where appropriate.

Our business continuity plans are in place to ensure that the critical business functions LFRS provides continue to operate, despite serious incidents or disasters that might otherwise have interrupted them.

Our planning is also influenced by other legislation:

- Fire and Rescue Services Act 2004.
- Fire and Rescue Service (Emergencies) (England) Order 2007.
- Civil Contingencies Act 2004.
- Regulatory Reform (Fire Safety) Order 2005.
- Health and Safety at Work Act 1974.

Our Risk Management Processes



How We Calculate Community Risk

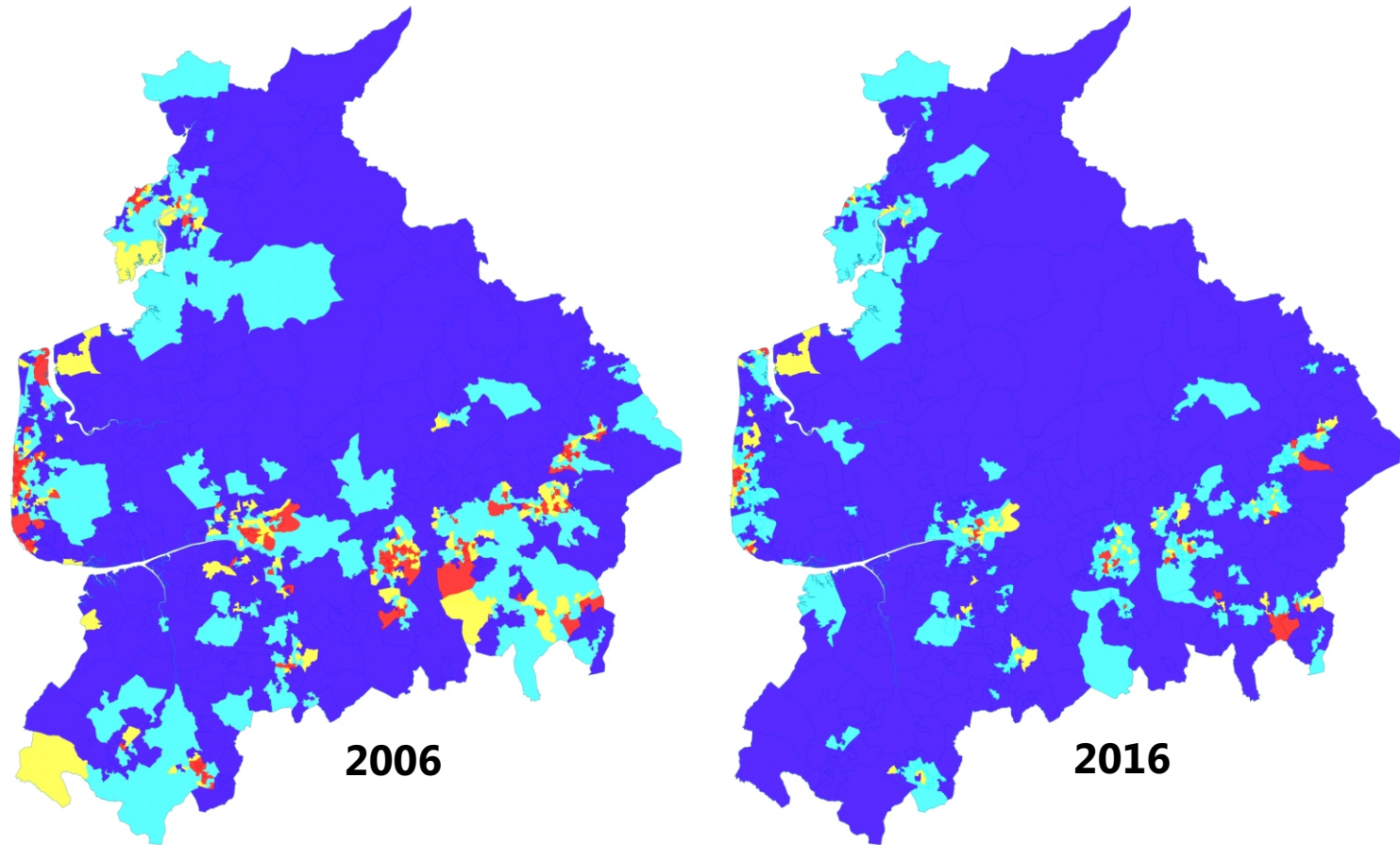
Our [Strategic Assessment of Risk](#) provides information on the demographics of our diverse communities which helps to indicate households and businesses that are more likely to experience a fire or other emergency.

We calculate risk across the households of Lancashire by using small geographic areas known as Lower Layer Super Output Areas (LLSOA). There are 941 LLSOAs in Lancashire each containing between 1000 to 3000 people. We apply a risk formula to each of these areas based upon historic fire data and social deprivation data to give each LLSOA a risk grade of low, medium, high or very high to produce a fire risk map. We are committed to reducing the number of very high and high risk areas. Over the last 10 years we have reduced the overall risk in Lancashire by 20%.



Fire Risk Change

The fire risk map shows us where the most frequent and the most serious fires occur, telling us where we need to provide the fastest fire engine response. This information helps us decide where to locate our resources, particularly when we undertake a review of our fire cover arrangements. As we always prefer to prevent fires occurring we also use the risk map to target our prevention and protection activity.



Fire Risk Change

		2006-09		2007-10		2008-11		2009-12		2010-13		2011-14		2012-15	
Score	Risk Grade	Score	SOA Count	Score	SOA Count	Score	SOA Count	Score	SOA Count	Score	SOA Count	Score	SOA Count	Score	SOA Count
Greater than 75	Very High	5928	70	5040	60	5026	60	4434	53	3388	40	2714	32	3332	41
Between 56 & 75	High	7476	119	7410	118	7194	114	6402	100	5876	93	6040	95	5440	86
Between 36 & 55	Medium	13234	299	13672	310	13284	303	13676	313	13180	301	13208	306	12130	281
Less than 36	Low	10564	452	10410	452	10734	463	11046	474	11784	507	11686	508	12366	533
Risk Score		37202		36532		36238		35558		34228		33648		33268	
Change from base line risk score		-9.3%		-11.0%		-11.7%		-13.3%		-16.6%		-18.0%		-18.9%	

5. How We Plan

Corporate Planning

Corporate planning is a systematic process of determining the organisations goals to be achieved in the foreseeable future. Corporate Planning within LFRS includes the development of our IRMP, providing support for change and transformational projects and programmes, as well as providing critical assurance of the progress of these bodies of work.

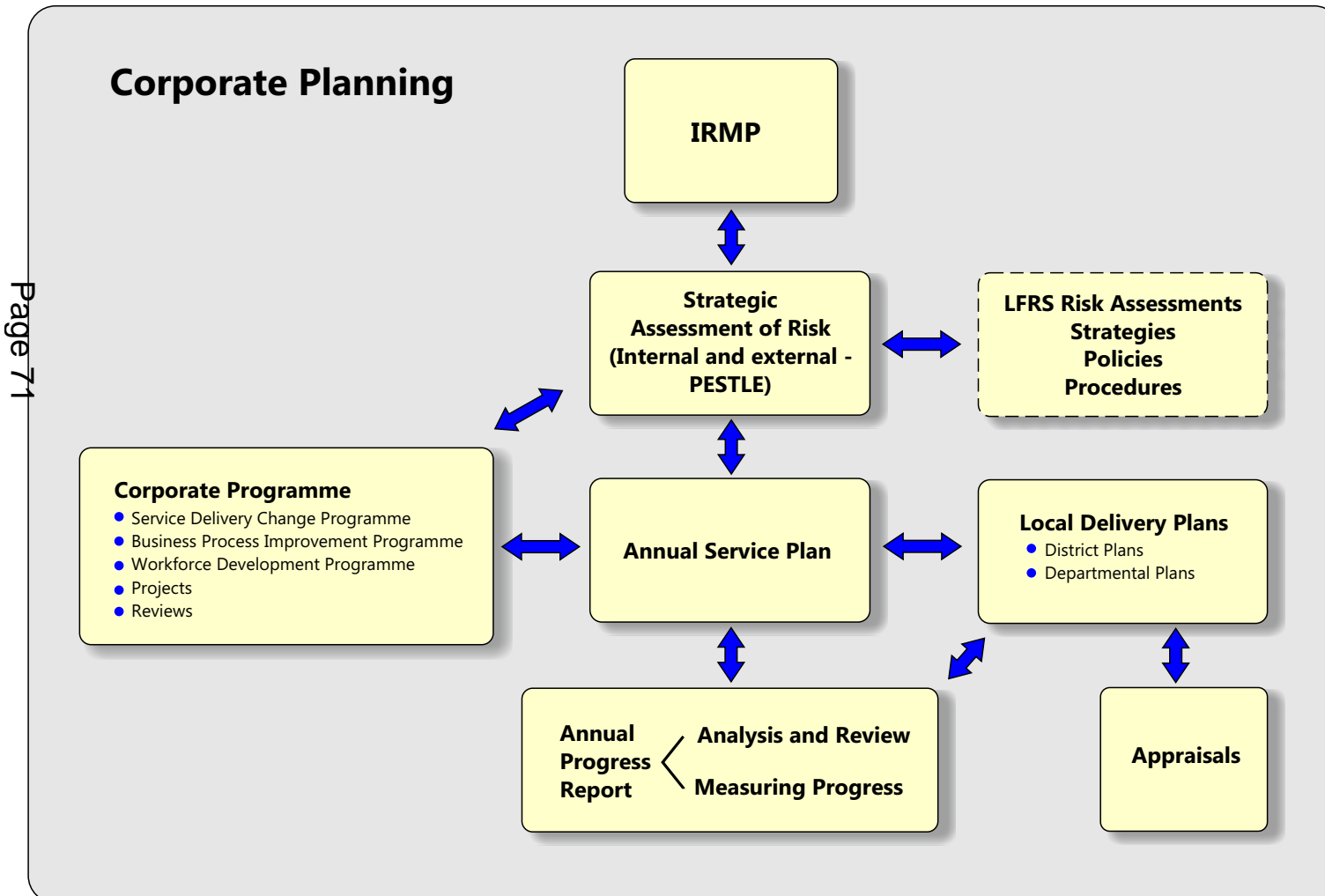
Corporate planning needs to follow a rigorous yet flexible process that permits the organisation to assess and respond to opportunities and threats. The process must allow for adjustments as the environment in which it operates evolves.



The planning framework is represented in the diagram below, which sets out the various sources of information which inform the planning process and the inter-dependencies between the various elements of LFRS planning strategy.

Annual Planning

Our corporate planning is designed to support continual improvement. Every year the Service carries out a PESTLE analysis which looks at our external and internal Political, Economic, Sociological, Technological, Legal and Environmental influences and how they may have changed. We use this to refresh our [Strategic Assessment of Risk](#). This informs the IRMP and the [Annual Service Plan](#) which are two of the main outcomes of the Corporate Planning process. These plans set out the strategic direction of the organisation for both the medium and short term, which give guidance for the content of Department and District plans.



Governance

The Service's Corporate Programme Board (CPB) provides accountability and governance to effectively deliver the Projects and Programmes detailed in the Annual Service Plan. Independent reporting to the CPB provides transparency of our decision making process to support significant projects. Each projects' progress is measured using a RAG (Red, Amber, Green) status to indicate how well a project is performing thus providing the opportunity for scrutiny and challenge.

For our major projects further scrutiny is provided through the Fire Authority who are responsible for ensuring the implementation of appropriate risk management structures and processes, and to provide sufficient resources to meet agreed objectives. The CFA's committee structure is in place to manage our broad governance arrangements, for further details [click here](#).

The Fire Authority has an agreed **Consultation Strategy** which details how we will consult with the public about proposals for significant change which may be contained within our Annual Service Plan.

The annual **Statement of Assurance** aims to provide the necessary accountability and transparency to the people of Lancashire and evidence that their Fire and Rescue Service continues to deliver under the expectations detailed within both the **National Framework** and our own IRMP. It details the measures to assure that the Combined Fire Authority's performance is efficient, economic and effective in relation to finance and governance. It also details our measures of operational assurance to demonstrate that our services are delivered in line with our statutory responsibilities and with due regard to the expectations set out in our IRMP including cross-border, multi-authority and national incident arrangements.

Financial Planning

Since April 2013 we have saved £14m. Throughout this time we have had strong plans; achieved good results and delivered unprecedented change which has secured the viability of the Service. Our strong financial risk management is evident in our **Medium Term Financial Strategy**, which illustrates that we are well positioned over the medium term to support continued investment in people, training and equipment.

Looking forward as part of the Local Government Finance Settlement the Secretary of State announced an offer of four year funding settlements for local authorities in return for publishing an **efficiency plan**. This provisional settlement showed a £5.5m funding reduction over the four year period. The Fire Authority is seeking to accept the four year funding settlement, which would mean that the Authority will know what it will receive in government grant every year up to 2020 and will be better able to forward plan to manage budget reductions. In order to meet these reductions the Authority will need to deliver against its efficiency plan and as part of this process it has already identified over £2m of savings in future years. However the level of funding reductions means that further efficiencies will need to be found in future years.

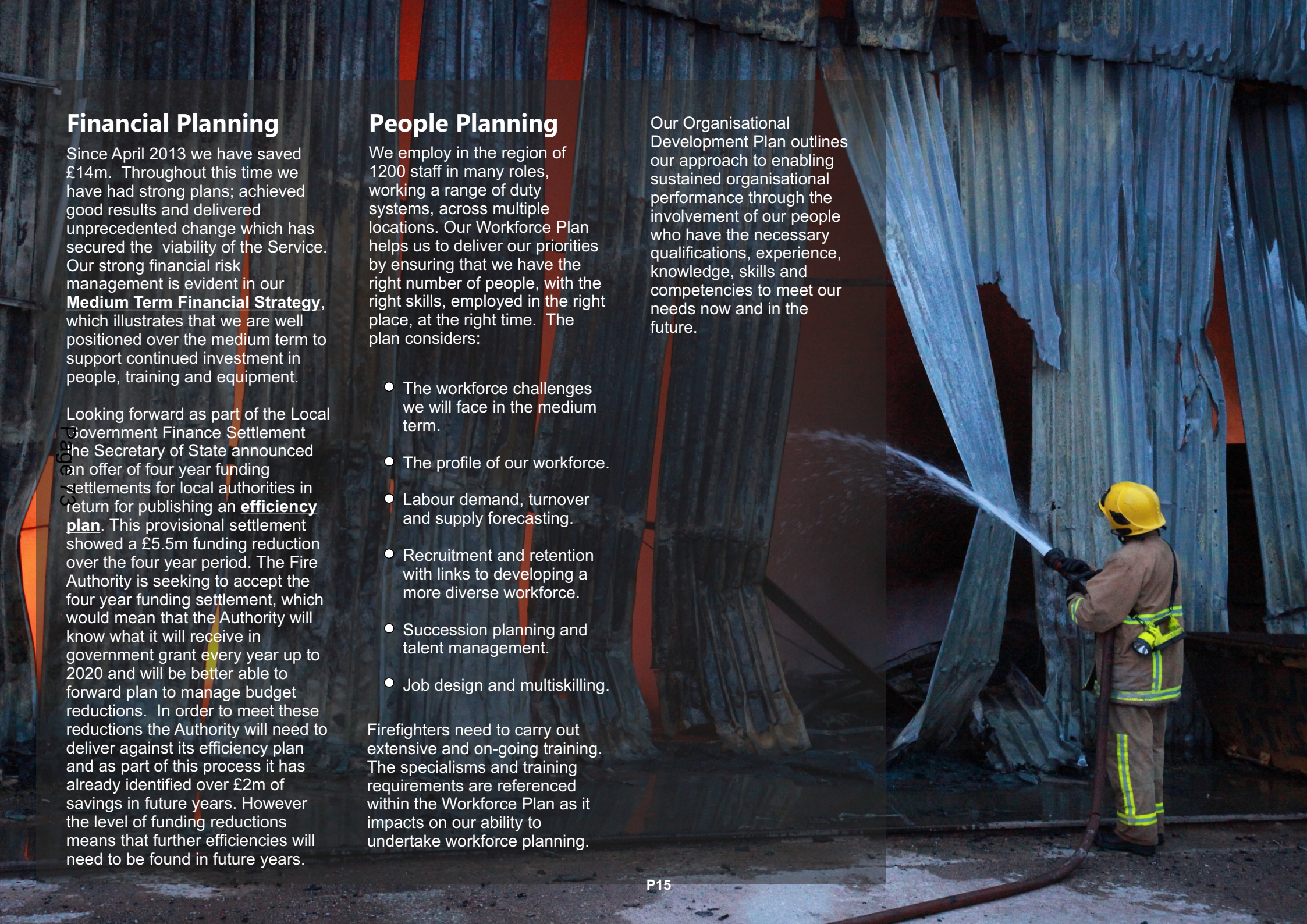
People Planning

We employ in the region of 1200 staff in many roles, working a range of duty systems, across multiple locations. Our Workforce Plan helps us to deliver our priorities by ensuring that we have the right number of people, with the right skills, employed in the right place, at the right time. The plan considers:

- The workforce challenges we will face in the medium term.
- The profile of our workforce.
- Labour demand, turnover and supply forecasting.
- Recruitment and retention with links to developing a more diverse workforce.
- Succession planning and talent management.
- Job design and multiskilling.

Firefighters need to carry out extensive and on-going training. The specialisms and training requirements are referenced within the Workforce Plan as it impacts on our ability to undertake workforce planning.

Our Organisational Development Plan outlines our approach to enabling sustained organisational performance through the involvement of our people who have the necessary qualifications, experience, knowledge, skills and competencies to meet our needs now and in the future.



6. How We Direct and Deliver Our Operations to Achieve Our Priorities

Our Approach

Fulfilling our aim of **making Lancashire safer** requires us to make sure that *everything* we do improves the safety of our diverse communities. Our approach to achieving this reflects the fact that risk in Lancashire is dynamic. Fire disproportionately affects certain demographic groups, and whilst the cause is often quite generic, it is the underlying aspects associated with the individual that is the root cause of the fire. For example:

- those living alone.
- those with health issues.
- drug and/or alcohol use.
- those with mobility issues.
- those affected by socio-economic deprivation and poor housekeeping.

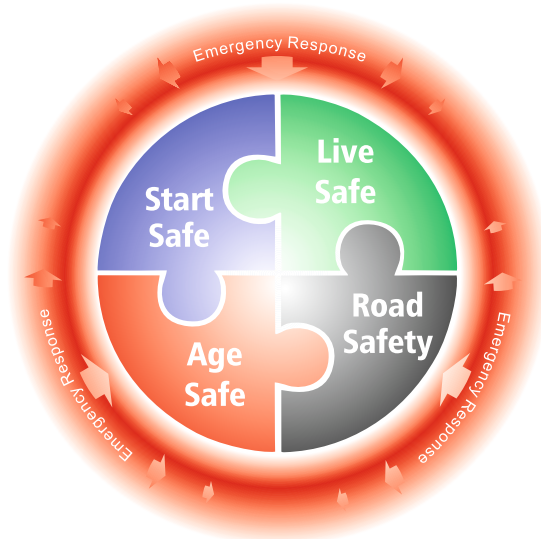
Different problems often require different solutions; no one risk reduction measure alone will improve public safety. In recognising this, we will continue to use an integrated approach involving; prevention, protection and emergency response.

Whilst the third aspect - what happens when an emergency occurs – is still probably most familiar to the public, our primary focus remains based on the first two: prevention and protection. The rationale for this approach is simple:

- Prevention is better than cure whatever the issue.
- Minor injury is less traumatic than a serious one, or even worse a fatality.
- Superficial damage is preferable to total loss.

Prevention and protection services and our structure for delivery were reviewed over the course of the last IRMP to ensure that we are delivering appropriate services in line with our changing operating environment. As a result we have changed our working practices with a strategic focus on the quality of the services that we

deliver. These services are delivered around four themes: helping people to **start safe; live safe; age safe and be safe on our roads** with a focus on working collaboratively with other organisations.



Against a backdrop of ever-changing risk, being well prepared to deal with any eventuality is increasingly important with good plans, effective training and staff who are well prepared. Preparing to deal with fires and other emergencies enables us to give the best response.

When an emergency happens we **respond** to the incident quickly and competently with the right resources.

Supporting these delivery priorities is a recognition that we need to have staff who are well trained, supported

and **valued** within the organisation and **resources** to enable us to do what we need to do, whilst offering our communities **value for money**.

To support our aim it is our duty to ensure that we consider and identify all areas where collaborative working could improve service delivery, achieve efficiencies and ensure an effective response to all incidents that we attend. We must now look to explore opportunities to respond differently - integrating with other public services - to meet the changing risks and needs of our diverse communities.

We have already started on this journey; delivery of an Emergency First Responder model in conjunction with the North West Ambulance Service has seen firefighters save lives within their communities at incidents other than fire. Expansion of these services

will continue to be developed as our partners' needs continue to emerge across our communities. This will always be balanced against that which we have a statutory duty to deliver (Fire and Rescue Services Act 2004).



Preventing Fires and Other Emergencies From Happening

We will seek to prevent fires and other emergencies, such as road traffic collisions, flooding, wildfire and search and rescue activities, from happening in the first place as we believe this is the best way to make Lancashire safer. We focus our efforts on helping people start safe, live safe, age safe and use our roads safely; targeting our resources at those most vulnerable.

Our ambitions:

- Seek to continue to reduce the number and impact of fire to our diverse communities.
- Bring about positive change in people's behaviours to improve their safety.
- Educate the children and young people of Lancashire in fire safety awareness.
- Reduce the number of people killed and seriously injured on our roads.

How we will do this:

- Use a targeted approach to ensure that we reach those who are most vulnerable and at risk from fire.
- Increase access routes to all our services to help people start safe, live safe, age safe and be safe on our roads.
- Deliver a comprehensive safe and well service.
- Deliver youth engagement and education programmes in fire safety awareness.
- Co-locate our community safety advisors staff within multi agency hubs to help develop more integrated safety services.
- Use education as the primary means to support a multiagency approach to reduce risk on our roads through the Lancashire Partnership for Road Safety and support the Chief Fire Officers Association (CFOA) national strategic aims and objectives.



Moving from Home Fire Safety Checks to a Safe and Well Service

Over the last decade our Home Fire Safety Check service has been at the heart of our prevention activity and has been hugely successful at driving down fire risk, resulting in a dramatic drop in demand for emergency response and huge reductions in the number of fire deaths and injuries. Delivery methods have recently been improved to a more targeted, risk based approach for home visits, to ensure those most in need receive our direct intervention. Those assessed as low risk now receive a new digital service, receiving specific advice and safety interventions via email. This links to our ambition to deliver more digital services, delivering digitally by default, where we are able.

In delivering our ambitions aligned to the Lancashire and South Cumbria Sustainability and Transformation plan, we are working to introduce a new 'Safe and Well' service. Our staff will facilitate direct contact with vulnerable people on behalf of other agencies to provide a vital role delivering wider health benefits in our communities. The service will include brief intervention and advice to reduce risk, falls risk assessments, alcohol and mental health advice, improved understanding and access to other services. This sees us working more closely with colleagues in health and social care - working together to support them in improving health and quality of life outcomes for those most at risk in our communities.



Helping people to start safe, live safe, age safe and be safe on our roads.

To ensure constant improvement in all parts of our prevention priority, the Service has dedicated thematic groups which review current practice and results. Where new areas of work are identified or improvements are required, they are identified within the Annual Service Plan. The Service has four dedicated thematic groups:

Start Safe

We will focus our efforts and resources towards educating, supporting and protecting children and young people so that they are able to start their lives safely and grow up to be safe adults and good citizens. This includes design and delivery of multi-layered education and development activities.

Live Safe

We will focus our efforts and resources towards assisting the people who live and work in our communities to minimise the risk of fire and other related accidents occurring. Supporting people to live safely helps bring about positive change in people's behaviours within their homes thus improving their safety, quality of life and health outcomes. Each year we plan a wide number of activities covering key stages in life. Our live safe package aims to educate

individuals and families about their lifestyle choices.

Age Safe

We will focus our efforts and resources towards ensuring that our prevention work is delivered in the most effective way to support the individual needs of our older communities. By tailoring our services we can target our prevention work to minimise the risk of fire and other related accidents occurring; whilst working closely with our partner agencies to realise the best outcomes for our older communities.

The number of older people in Lancashire is increasing so we have to ensure that our prevention work is delivered in the most effective way. Analysis of statistics shows us that 50% of all fire deaths involve those aged 65 or over. It is also evident that some people from within this group have increasingly complex needs. Our work therefore needs to be flexible enough to address a wide range of risks whilst remaining cognisant of those who wish to maintain their independence. Priorities in this area are centred around:

- How we identify persons most at risk from fire (including processes and data).

- The services and products we can use to reduce risk.
- How we analyse the effectiveness of our service.
- Improving the ways in which we engage with older people.

Road Safety

Road safety affects everyone in Lancashire and is not just about the mechanics of roads, vehicles and street design, but as much about attitudes, perceptions and the way that we value and share our roads. Over the past decade significant progress has been made in making Lancashire's roads safer by reducing the number of casualties and improving the road network for all road users. However, since 2013, like many areas across Great Britain, casualty numbers in Lancashire have risen.

'Towards Zero Lancashire' is the Lancashire Partnership for Road Safety joint response approach to road safety – a ten year strategy which is underpinned by a more detailed annual action plan and is in place to support the delivery of five key outcomes:

- Reduce road traffic fatalities by user group, age and districts of Lancashire.
- Reduce severity and numbers of road traffic injuries by user group, age and districts of Lancashire.
- Improve outcomes for 'vulnerable' road users in Lancashire.
- Improve and change road safety attitudes and behaviours.
- Improve community response to road safety.

Lancashire Fire and Rescue Service is a member of the partnership and delivers activity to directly support achieving these outcomes including training and education programmes and awareness events.

Protecting People and Property When Fires Happen

We will reduce regulatory burden by supporting local businesses to help them reduce fire risk and remain compliant with fire safety legislation (Regulatory Reform (Fire Safety) Order 2005) and will lead effective enforcement activity where businesses fail to commit to fire safety.

Our ambitions:

- Reducing risk in buildings both for the public and our firefighters.
- Reduce the regulatory burden by supporting local business to reduce the risk of fire and remain compliant with fire safety legislation.
- Work with our partners to continue to reduce the number of fires caused by arson.

How we will do this:

- Deliver our Business Safety Strategy.
- Continue to establish Primary Authority Schemes (PAS) to both support strategic businesses and learn how to improve our support.
- Enforce fire safety regulations across the county when required.
- Investigate suspected arson cases to produce evidence that will support the criminal justice process.



Responding to Fire and Other Emergencies Quickly and Competently

We seek to deliver high standards of operational response. We prepare and plan for emergencies so that when an emergency happens and we have to respond, we do it quickly, with the right training, the right information and the right equipment to deal with the incident effectively and safely.

Our ambitions:

- Work with our partners to deliver collaborative response opportunities.
- Prepare and plan for emergencies so that when they occur we respond effectively and safely whilst minimising the impact to the environment.
- Learn from incidents to be better prepared and respond to future emergencies.
- Ensure we provide an effective response to fire and other emergencies at all times.
- Ensure our crewing arrangements are fit for purpose to meet the risk levels of the community.
- Ensure our firefighters are equipped with the best possible risk information whilst responding to incidents.
- Research, develop and adapt firefighting techniques and procedures to strengthen our capabilities and improve safety.

How we will do this:

- Work with our partners to deliver response models to incidents other than fire e.g. Emergency First Responder.
- Continue to train and equip our staff with the best information, training and equipment to carry out their role as efficiently, effectively and safely as possible.
- Continue to identify key lessons through effective debriefing to ensure that our future operational response continually evolves.
- Continue to have in place and test our robust business continuity plans to ensure the resilience of the service and our operations.
- Review and refresh our operational procedures to align with National Operational Guidance.
- Carry out and consult on an Emergency Cover Review to ensure appropriate future provision of our resources and crewing arrangements.
- Continue to develop our capabilities to ensure a coordinated operational response with other blue light services to multi agency incidents e.g. Emergency Services Mobile Communication Programme.
- Continue to adapt our capabilities in response to climate change e.g. flooding and wildfire.



Valuing our People So They Can Focus on Making Lancashire Safer

While making Lancashire safer is our primary aim; to be successful at this we seek to develop a confident, vibrant and diverse culture where our staff at all levels are engaged, feel valued and empowered to make a positive contribution, whatever their role.

Our ambitions:

- To provide a highly skilled and competent workforce that is broadly representative of the diverse nature of the communities we serve.
- To provide a safe and healthy working environment and a safe workforce with low rates of accidents and injuries.
- Ensuring that all our staff understand our aim, our priorities and their personal contribution to achieving these.
- Ensuring our STRIVE values – doing our best to make every effort to make Lancashire safer – is understood, upheld and reflected in day-to-day behaviours.
- Help our managers to lead in a command and control style when on the incident ground and to lead in an engaging style at other times.
- Help our managers to lead their people - developing their skills, competencies and capacity to lead and to manage change effectively.
- Providing staff with opportunities for learning and development.

How we will do this:

- Understand our culture to ensure our STRIVE values are embedded through a values based performance management framework.
- Deliver our Organisational Development Plan to support staff with learning opportunities and training.
- Ensure there are organisation-wide communication and engagement processes in place.
- Promote equality in our workforce policies and workforce practices.
- Continue to embed our [safety, health and environment policy](#) and monitor performance via annual reviews.
- Continue to implement a programme of activities and support to promote and develop better staff health and wellbeing.
- Work effectively with our Trade Unions ensuring a productive industrial relations environment.



Delivering Value for Money in How We Use Our Resources

We aim to use our resources efficiently and effectively to provide the best possible resilient fire and rescue service for the people of Lancashire.

Our ambitions:

- To produce a balanced budget which provides resources matched to the level of risk in order to deliver our Service's aim, priorities and values.
- Ensure that our resources mean that we can be in the right place at the right time, with staff who are equipped with the right skills, equipment and training to respond to any emergency that we are called upon to attend.

How we will do this:

- We will manage our Revenue Budget across the settlement period:
 - We have submitted a bid for a fixed four year settlement covering 2016-2020.
 - We will deliver a balanced Revenue Budget delivering services as outlined in this IRMP and other plans, whilst maintaining future council tax increases at reasonable levels.
 - We will continue to deliver efficiencies in line with targets, as outlined in our Efficiency Plan.
 - We will utilise reserves to meet any funding shortfalls, whilst maintaining these at an adequate level.
 - We will continue to invest in improvements in service delivery, facilities, equipment and training.

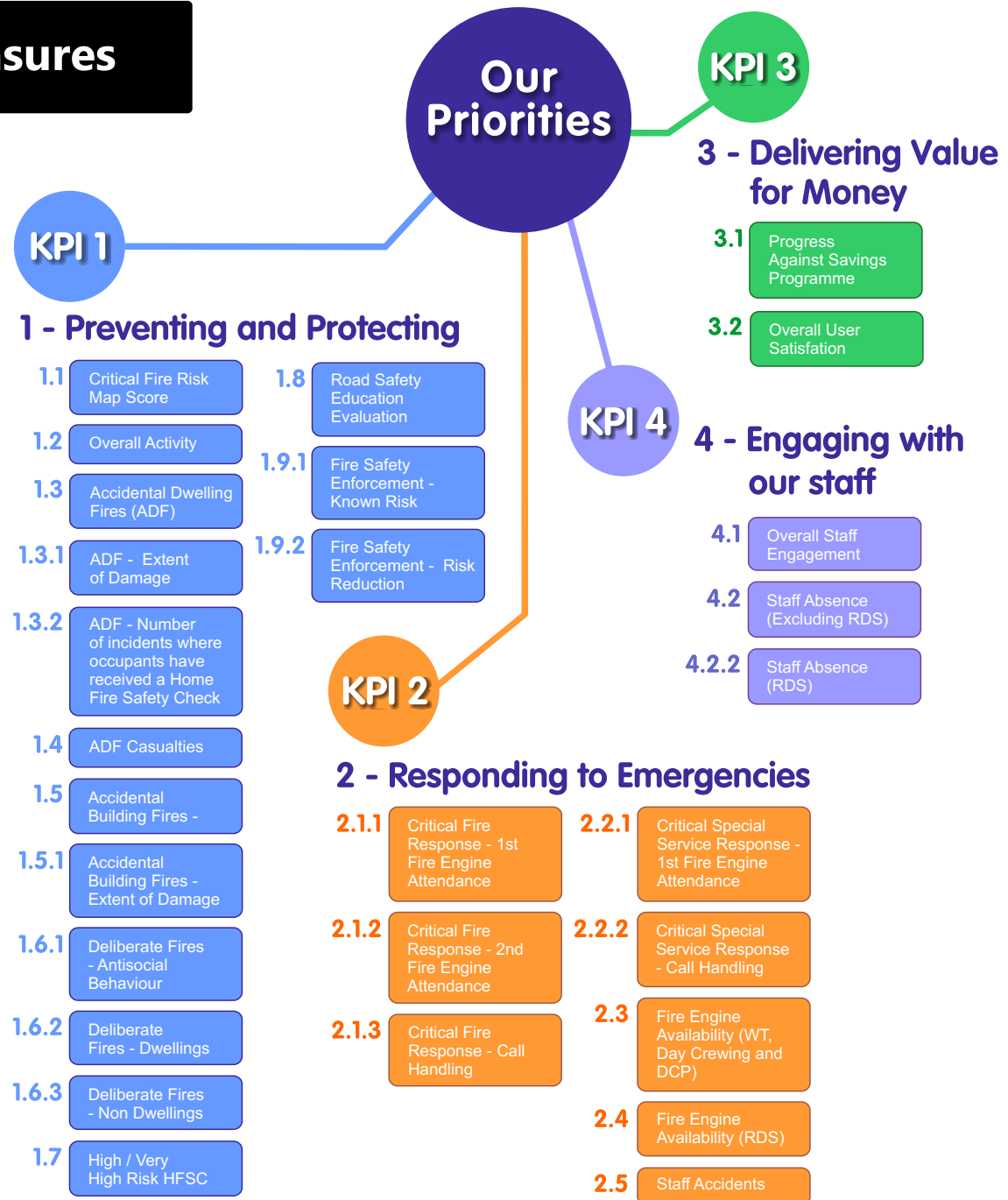
- We will manage our Capital Budget across the settlement period:
 - We will deliver a balanced Capital Budget matching requirements to available resources.
 - We will ensure that the Authority's capital investment supports corporate priorities identified in asset management plans.
 - We will ensure that all capital investment decisions represent value for money, consider the future impact on revenue budgets, as well as minimising the impact on the environment.
- We will continue to effectively plan to provide assurance that our vehicles, equipment, building and ICT meet current and future needs through our asset management plans.
- Refrain from pursuing financially unsustainable schemes, unreliable funding streams or funding that is not related to our aim of making Lancashire safer.
- Proactively seek opportunities for joint working with partners to more fully contribute to wider public safety outcomes.
- Ensuring compliant procurement processes to purchase the right products or services at the right time, for the right cost.
- Carrying out periodic reviews of our emergency cover; prevention and protection services and supporting functions.

7. Key Performance Measures

The Combined Fire Authority sets us challenging targets for a range of performance indicators which help them to monitor and measure our performance in achieving success and meeting our priorities.

We have a number of headline targets, known as Key Performance Indicators (KPIs) and these are set out in our [Annual Service Plan](#). All KPIs are reported to the Authority's Performance Committee each quarter. [Measuring Progress](#) reports are available from our website. At the end of the year we produce an [Annual Performance Report](#) which is often presented as a film.

We also have local indicators which help us plan our resources, and monitor trends to establish whether action is needed to address changing risk.



8. Contacts

You can email us:
rmp@lancsfirerescue.org.uk.

You can write to us: Risk Management Plan
Service Development Department
Lancashire Fire and Rescue Service
Headquarters
Garstang Road
Fulwood
PR2 3LH

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Lancashire Fire and
Rescue Service



@LancashireFRS

If you would like a copy of this document in large print, audio, braille or another language please telephone 01772 866791.

Polish

Jeśli chcesz otrzymać kopię tego dokumentu drukowaną dużą czcionką, alfabetem Brail'a, w wersji audio lub w innym języku, prosimy o telefon pod nr 01772 866791.

Bengali

এই তথ্যপত্রের তথ্য বড় অক্ষরে, ক্যাসেটে রেকর্ড করে, ব্রেইলে (অক্ষিপিতে) বা অন্য কোনো ভাষায় অনুবাদ চাইলে অনুগ্রহ করে নাম্বারে ফোন করুন: 01772 866791।

Punjabi

ਜੇਕਰ ਤੁਹਾਨੂੰ ਇਸ ਦਸਤਾਵੇਜ਼ ਦੀ ਕਾਪੀ ਵੱਡੇ ਅੱਖਰਾਂ, ਆਡੀਓ, ਬ੍ਰੇਲ ਜਾਂ ਕਿਸੇ ਹੋਰ ਬੋਲੀ ਵਿਚ ਚਾਹੀਦੀ ਹੈ ਤਾਂ ਕ੍ਰਿਪਾ ਕਰਕੇ 01772 866791 'ਤੇ ਟੈਲੀਫੋਨ ਕਰੋ।

Gujarati

જો તમે આ દસ્તાવેજની નકલ લાઈ પ્રિન્ટ, ઓડીયો, બ્રેઇલ અથવા અન્ય ભાષામાં મેળવવા માંગતા હો તો કૃપા કરી 01772 866791 પર ટેલીફોન કરો.

Urdu

اگر آپ اس دستاویز کی کاپی بڑی لکھائی، آڈیو، بریل یا کسی دوسری زبان میں چاہتے ہیں تو براہ مہربانی ٹیلی فون نمبر: 01772 866791 پر رابطہ کریں۔

www.lancsfirerescue.org.uk

LANCASHIRE COMBINED FIRE AUTHORITY
Meeting to be held on 20 February 2017

APPOINTMENT OF EXTERNAL AUDITORS (Appendices 1 and 2 refer)

Contact for further information:
Keith Mattinson – Director of Corporate Services – telephone 01772 866804.

Executive Summary

The current external audit appointment ends following the conclusion of the 2017/18 audits. As such the Authority will need to make alternative arrangements for appointing an auditor.

In order to do so the Authority has 3 options:

- Follow a sector led body;
- Set up an Audit Panel, undertake a procurement process and make a stand-alone appointment;
- Set up a Joint Auditor Panel, undertake a joint procurement panel and make a joint appointment.

Decision Required

The Authority is asked to approve to opt-in to the national procurement being undertaken by Public Sector Audit Appointments.

Information

In March 2016 a report was presented to the Audit Committee looking at options for the future appointment of external auditors:-

- Follow a sector led body;
- To make a stand-alone appointment;
- Set up a Joint Auditor Panel/local joint procurement arrangements.

A copy of the report is attached as appendix 1. Members agreed that following a sector led body was the best option to pursue at the time, minimising procurement costs and resource, maximising buying power and hence was likely to result in the lowest fees. Hence it was resolved “That the Committee agree to support the Local Government Association in setting up a national Sector Led Body by indicating an intention to opt-in.” (Resolution 22/15 refers.)

Further details relating to the sector led approach were presented to the Audit Committee in January, and a copy of that report is attached as appendix 2. Members expressed concerns that the audit fees would only be consulted on in the autumn, after the contracts had been awarded and asked for a more comprehensive report to be presented to the Authority in February.

The current situation remains as set out in these reports, namely that the current contract expires and that a new contract must be in place by December 2017. The Authority cannot have a period where it does not have an appointed external auditor.

Options for appointing an auditor remain as:-

- Follow a sector led body;
- Set up an Audit Panel, undertake a procurement process and make a stand-alone appointment;
- Set up a Joint Auditor Panel, undertake a joint procurement panel and make a joint appointment.

Follow a sector led body

The Secretary of State appointed Public Sector Audit Appointments (PSAA) to appoint local auditors under a national scheme. PSAA is an independent, not-for-profit company limited by guarantee and established by the LGA.

PSAA is inviting the Authority to opt in, along with all other authorities, so that it can undertake a procurement exercise to award a number of contracts with appropriately qualified audit firms, and ultimately to appoint a suitable firm to be the Authority's auditor.

It is worth noting that in order for the Sector Led Body approach to be viable and to be placed in the strongest possible negotiating position then authorities need to commit to this approach before final contract prices are known.

PSAA have already issued an OJEU Contract Notice in February 2017. Eligible bodies must notify PSAA of a decision to opt-in by 9th March 2017; anyone not opting in by that date will be unable to opt-in until the following year, and hence will need to appoint their own external auditors by the end of December 2017.

The tender evaluation process is based 50% on cost and 50% on quality, and will complete in June 2017 when the PSAA Board approves the award of contracts.

PSAA will pool scheme costs and charge fees to audited bodies in accordance with a fair scale of fees which has regard to size, complexity and audit risk, most likely as evidenced by audit fees for 2016/17. This means that everyone in the scheme will benefit from the most competitive prices.

The actual audit fees charged to individual authorities will be determined by the prices achieved in the procurement process. Once contracts are awarded the overall cost and therefore the level of fees required will be clear, following which PSAA will undertake a consultation exercise on audit fees in the autumn 2017 and will publish the fees applicable for 2018/19 in March 2018.

This approach is consistent with the procurement exercise that the Audit Commission undertook in 2011/12, and with the principle of a consultation on proposed fees taking place each year, which has happened for many years. It is also

worth noting that prior to the Audit Commission procurement exercise, and based on audit requirements at that time, the audit fee was £68k; it currently stands at £31k, a reduction of over 50%.

Advantages/benefit

- PSAA will ensure the appointment of a suitably qualified and registered auditor and expects to be able to manage the appointments to allow for appropriate groupings and clusters of audits where bodies work together;
- PSAA will monitor contract delivery and ensure compliance with contractual, audit quality and independence requirements;
- Any auditor conflicts at individual authorities would be managed by PSAA who would have a number of contracted firms to call upon;
- It is expected that the large-scale contracts procured through PSAA will bring economies of scale and attract keener prices from the market than a smaller scale competition (by way of example if all bodies opted in to the national process the annual fee value is in excess of £35m, whereas our individual fee is £31k) ;
- The overall procurement costs would be lower than an individual smaller scale local procurement;
- The overhead costs for managing the contracts will be minimised through a smaller number of large contracts across the sector;
- There will be no need for the Authority to establish alternative appointment processes locally, including the need to set up and manage an 'auditor panel';
- A sustainable market for audit provision in the sector will be easier to ensure for the future.

Disadvantages/risks

- Individual elected members will have no direct involvement in the appointment process, as this will be undertaken by PSAA, however PSAA have been appointed to work in the interests of all authorities;

Set up an Audit Panel, undertake a procurement process and make a stand-alone appointment

In order to make a stand-alone appointment the Authority will need to set up an Auditor Panel. The members of the panel must be wholly or a majority independent members as defined by the Act. Independent members for this purpose are independent appointees, this excludes current and former elected members (or officers) and their close families and friends. This means that elected members will not have a majority input to assessing bids and choosing which firm of accountants to award a contract for the Authority's external audit.

Once established the audit panel would then need to undertake a procurement exercise to award a contract for the provision of external audit services. As with all procurement exercises the final price will not be known until such time as a procurement exercise is completed, by which time it is too late to opt in to the national exercise, or to undertake a further procurement exercise.

It is worth noting that currently there are only nine providers that are eligible to audit local authorities and other relevant bodies, all of whom have a national presence, and will be included in the national sector led approach.

Advantages/benefit

- Setting up an auditor panel allows the Authority to take maximum advantage of the new local appointment regime and have local input to the decision.

Disadvantages/risks

- Recruitment and servicing of the Auditor Panel, running the bidding exercise and negotiating the contract is estimated by the LGA to cost in the order of £15k plus on going expenses and allowances;
- The Authority will not be able to take advantage of reduced fees that may be available through joint or national procurement contracts;
- The assessment of bids and decision on awarding contracts will be taken by independent appointees and not solely by elected members;
- Given the relatively low value of our external audit service (current cost is £31k) there may be a limited number of interested bidders who meet the required standards,

Set up a Joint Auditor Panel, undertake a joint procurement panel and make a joint appointment

The Act enables the Authority to join with other authorities to establish a joint auditor panel, who will need to be constituted of wholly or a majority of independent appointees (members). This joint panel would then undertake a procurement exercise, and again the cost of the audit will not be known until such time as a procurement exercise is completed, by which time it is too late to opt in to the national exercise, or to undertake a further procurement exercise

Further legal advice will be required on the exact constitution of such a panel having regard to the obligations of each Authority under the Act and the Authority need to liaise with other local authorities to assess the appetite for such an arrangement. Informal enquiries have not identified any Authorities who wish to be involved in a joint exercise.

Advantages/benefits

- The costs of setting up the panel, running the bidding exercise and negotiating the contract will be shared across a number of authorities;
- There is greater opportunity for negotiating some economies of scale by being able to offer a larger combined contract value to the firms.

Disadvantages/risks

- The decision making body will be further removed from local input, with potentially no input from elected members where a wholly independent auditor panel is used or possible only one elected member representing each Authority, depending on the constitution agreed with the other bodies involved;
- The choice of auditor could be complicated where individual Authorities have independence issues. An independence issue occurs where the auditor has

recently or is currently carrying out work such as consultancy or advisory work for the Authority. Where this occurs some auditors may be prevented from being appointed by the terms of their professional standards. There is a risk that if the joint auditor panel choose a firm that is conflicted for this Authority then the Authority may still need to make a separate appointment with all the attendant costs and loss of economies possible through joint procurement;

- Compared with the national contract this would still be likely to be a low value contract and again there may be a limited number of interested bidders who meet the required standards.

Recommendation

At the date of writing the report 287 Authorities (which is more than 60% of all authorities) had opted in to the national sector led solution via Public Sector Audit Appointments. The Treasurer is not aware of any other Lancashire based Authority or any other Fire Authority that is pursuing a different option.

The concerns expressed by the Audit Committee revolved around the cost of the audit not being known until the Autumn consultation, after the contract has been awarded, and a question as to whether undertaking our own exercise would deliver a better value solution.

As highlighted earlier the contract award criteria is split 50% on price and 50% on quality, hence it is clear that achieving a competitive price remains at the forefront of the exercise.

PSAAs letter inviting the Authority to opt-in states:-

- *We will ensure that fee levels are carefully managed by securing competitive prices from firms and by minimising our own costs. Any surplus funds will be returned to scheme members under our articles of association and our memorandum of understanding with the Department for Communities and Local Government and the LGA.*
- *Our costs for setting up and managing the scheme will need to be covered by audit fees. We expect our annual operating costs will be lower than our current costs because we expect to employ a smaller team to manage the scheme. We are intending to fund an element of the costs of establishing the scheme, including the costs of procuring audit contracts, from local government's share of our current deferred income. We think this is appropriate because the new scheme will be available to all relevant principal local government bodies.*
- *PSAA will pool scheme costs and charge fees to audited bodies in accordance with a fair scale of fees which has regard to size, complexity and audit risk, most likely as evidenced by audit fees for 2016/17. Pooling means that everyone in the scheme will benefit from the most competitive prices. Fees will reflect the number of scheme participants – the greater the level of participation, the better the value represented by our scale fees.*
- *Scale fees will be determined by the prices achieved in the auditor procurement that PSAA will need to undertake during the early part of 2017. Contracts are likely to be awarded at the end of June 2017, and at this point*

the overall cost and therefore the level of fees required will be clear. We expect to consult on the proposed scale of fees in autumn 2017 and to publish the fees applicable for 2018/19 in March 2018.

A national procurement exercise must provide greater buying power, clearly minimises individual authorities procurement costs, especially any costs associated with establishing and servicing an independent auditor appointment panel, and hence should deliver the greatest value for money. As such this is still seen as the best option to pursue.

Financial Implications

Opting-in to a national Sector Led Body is anticipated to result in the most competitive audit fees, and will remove the costs of establishing an auditor panel. However, it must be acknowledged that until any procurement exercise, either national or local is completed the impact on existing fees cannot be determined.

Human Resource Implications

None

Equality and Diversity Implications

None

Business Risk Implications

There is no immediate risk to the Authority, however the Local Audit and Accountability Act 2014 (the Act) requires a relevant authority to appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding year.

Environmental Impact

None

Local Government (Access to Information) Act 1985

List of Background Papers

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

LANCASHIRE COMBINED FIRE AUTHORITY

AUDIT COMMITTEE

Meeting to be held on 31 March 2016

CHANGES TO ARRANGEMENTS FOR APPOINTMENT OF EXTERNAL AUDITORS

Contact for further information:

Keith Mattinson – Director of Corporate Services – telephone 01772 866804.

Executive Summary

This report summarises the changes to the arrangements for appointing External Auditors following the closure of the Audit Commission and the end of the transitional arrangements at the conclusion of the 2017/18 audits.

The Authority will need to consider the options available and put in place new arrangements in time to make a first appointment by 31 December 2017.

Decision Required

The Committee is asked to consider their preferred approach of either:

- Supporting the Local Government Association (LGA) in setting up a national Sector Led Body by indicating an intention to “opt-in”
- Establishing a stand-alone Auditor Panel to make the appointment on behalf of the Authority.
- Commencing work on exploring the establishment of local joint procurement arrangements with neighbouring authorities, either other Lancashire Authority’s or other Fire Authorities.

Information

The Local Audit and Accountability Act 2014 brought to a close the Audit Commission and established transitional arrangements for the appointment of external auditors and the setting of audit fees for all local government and NHS bodies in England. On 5 October 2015 the Secretary of State Communities and Local Government (CLG) determined that the transitional arrangements for local government bodies would be extended by one year to also include the audit of the accounts for 2017/18.

The Authority’s current external auditor is Grant Thornton, this appointment having been made under at a contract let by the Audit Commission. Following closure of the Audit Commission the contract is currently managed by Public Sector Audit Appointments Limited (PSAA), the transitional body set up by the LGA with delegated authority from the Secretary of State CLG. Over recent years we have

benefited from reduction in fees in the order of 50% compared with historic levels. This has been the result of a combination of factors including new contracts negotiated nationally with the firms of accountants and savings from closure of the Audit Commission. The Authority's current external audit fees are £31k per annum.

When the current transitional arrangements come to an end on 31 March 2018 the Authority will be able to move to local appointment of the auditor. There are a number of routes by which this can be achieved, each with varying risks and opportunities. Current fees are based on discounted rates offered by the firms in return for substantial market share. When the contracts were last negotiated nationally by the Audit Commission they covered NHS and local government bodies and offered maximum economies of scale.

The scope of the audit will still be specified nationally, the National Audit Office (NAO) is responsible for writing the Code of Audit Practice which all firms appointed to carry out the Authority's audit must follow. Not all accounting firms will be eligible to compete for the work, they will need to demonstrate that they have the required skills and experience and be registered with a Registered Supervising Body approved by the Financial Reporting Council. The registration process has not yet commenced and so the number of firms is not known but it is reasonable to expect that the list of eligible firms may include the top 10 or 12 firms in the country, including our current auditor. It is unlikely that small local independent firms will meet the eligibility criteria.

Options for local appointment of External Auditors

There are three broad options open to the Authority under the Local Audit and Accountability Act 2014 (the Act):

- Option 1 To make a stand-alone appointment;
- Option 2 Set up a Joint Auditor Panel/local joint procurement arrangements;
- Option 3 Opt-in to a sector led body.

Option 1 To make a stand-alone appointment

In order to make a stand-alone appointment the Authority will need to set up an Auditor Panel. The members of the panel must be wholly or a majority independent members as defined by the Act. Independent members for this purpose are independent appointees, this excludes current and former elected members (or officers) and their close families and friends. This means that elected members will not have a majority input to assessing bids and choosing which firm of accountants to award a contract for the Authority's external audit. A new independent auditor panel established by the Authority will be responsible for selecting the auditor (assuming there is no existing independent committee such as the Audit Committee that might already be suitably constituted).

Advantages/benefit

- Setting up an auditor panel allows the Authority to take maximum advantage of the new local appointment regime and have local input to the decision.

Disadvantages/risks

- Recruitment and servicing of the Auditor Panel, running the bidding exercise and negotiating the contract is estimated by the LGA to cost in the order of £15,000 plus ongoing expenses and allowances;
- The Authority will not be able to take advantage of reduced fees that may be available through joint or national procurement contracts;
- The assessment of bids and decision on awarding contracts will be taken by independent appointees and not solely by elected members.

The disadvantages appear to outweigh the advantages on this option and as such I believe this option should not be pursued

Option 2 Set up a Joint Auditor Panel/local joint procurement arrangements

The Act enables the Authority to join with other authorities to establish a joint auditor panel. Again this will need to be constituted of wholly or a majority of independent appointees (members). Further legal advice will be required on the exact constitution of such a panel having regard to the obligations of each Authority under the Act and the Authority need to liaise with other local authorities to assess the appetite for such an arrangement.

Advantages/benefits

- The costs of setting up the panel, running the bidding exercise and negotiating the contract will be shared across a number of authorities.
- There is greater opportunity for negotiating some economies of scale by being able to offer a larger combined contract value to the firms.

Disadvantages/risks

- The decision making body will be further removed from local input, with potentially no input from elected members where a wholly independent auditor panel is used or possibly only one elected member representing each Authority, depending on the constitution agreed with the other bodies involved.
- The choice of auditor could be complicated where individual Authorities have independence issues. An independence issue occurs where the auditor has recently or is currently carrying out work such as consultancy or advisory work for the Authority. Where this occurs some auditors may be prevented from being appointed by the terms of their professional standards. There is a risk that if the joint auditor panel choose a firm that is conflicted for this Authority then the Authority may still need to make a separate appointment with all the attendant costs and loss of economies possible through joint procurement.

This option has some merit but it is felt that the potential advantages of pursuing a Sector Led Body approach are more significant. Informal discussions with other Treasures indicated a similar position.

Option 3 Opt-in to a sector led body

In response to the consultation on the new arrangement, the LGA successfully lobbied for Authorities to be able to 'opt-in' to a Sector Led Body appointed by the

Secretary of State under the Act. A Sector Led Body would have the ability to negotiate contracts with the firms nationally, maximising the opportunities for the most economic and efficient approach to procurement of external audit on behalf of the whole sector.

Advantages/benefits

- The costs of setting up the appointment arrangements and negotiating fees would be shared across all opt-in authorities;
- By offering large contract values the firms would be able to offer better rates and lower fees than are likely to result from local negotiation;
- Any conflicts at individual authorities would be managed by the Sector Led Body who would have a number of contracted firms to call upon;
- The appointment process would not be ceded to locally appointed independent members. Instead, a separate body set up to act in the collective interests of the 'opt-in' authorities. The LGA are considering setting up such a body utilising the knowledge and experience acquired through the setting up of the transitional arrangements.

Disadvantages/risks

- Individual elected members will have less opportunity for direct involvement in the appointment process other than through the LGA and/or stakeholder representative groups.
- In order for the Sector Led Body to be viable and to be placed in the strongest possible negotiating position the Sector Led Body will need Authority's to indicate their intention to opt-in before final contract prices are known.

This is seen as the best option to pursue at the present time, minimising procurement costs and resource, maximising buying power, and hence likely to result in the lowest fees.

The way forward

The Authority has until December 2017 to make an appointment. In practical terms this means one of the options outlined in this report will need to be in place by spring 2017 in order that the contract negotiation process can be carried out during 2017.

The LGA are working on developing a Sector Led Body. In a recent survey, 58% of respondents expressed an interest in this option. Greatest economies of scale will come from the maximum number of Authorities acting collectively and opting-in to a Sector Led Body. In order to the strengthen the LGA's negotiating position and enable it to more accurately evaluate the offering the Authority is asked to consider whether it is interested in the option of opting in to a Sector Led Body.

A formal decision to opt-in will be required at a later stage.

Financial Implications

Current external fees levels are likely to increase when the current contracts end in 2018.

The cost of establishing a local or joint Auditor Panel outlined in options 1 and 2 above will need to be included in future budget, including the cost of recruiting independent appointees (members), servicing the Panel, running a bidding and tender evaluation process, letting a contract and paying members fees and allowances.

Opting-in to a national Sector Led Body provides maximum opportunity to limit the extent of any increases by entering in to a large scale collective procurement arrangement and would remove the costs of establishing an auditor panel.

Human Resource Implications

None

Equality and Diversity Implications

None

Business Risk Implications

There is no immediate risk to the Authority, however the Local Audit and Accountability Act 2014 (the Act) requires a relevant authority to appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding year.

Environmental Impact

None

Local Government (Access to Information) Act 1985

List of Background Papers

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

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AUDIT COMMITTEE

Meeting to be held on 26 January 2017

CHANGES TO ARRANGEMENTS FOR APPOINTMENT OF EXTERNAL AUDITORS

(Appendix 1 Refers) Attached as Annex 1 to this report

Contact for further information:

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

Executive Summary

The current external audit appointment ends following the conclusion of the 2017/18 audits. As such the Authority will need to make alternative arrangements for appointing an auditor.

The Secretary of State has now appointed Public Sector Audit Appointments to appoint local auditors under a national scheme.

Decision Required

The Committee is asked to recommend opting-in to the national procurement being undertaken by Public Sector Audit Appointments to the full Authority.

Information

As previously reported, the external auditor for the audit of the accounts for 2018/19 has to be appointed before the end of 2017. As such the Committee agreed, in March 2016, to indicate its intention to “opt-in” to the national Sector Led Body.

The Secretary of State has now appointed Public Sector Audit Appointments to appoint local auditors under a national scheme. The timetable means we need to formally opt in to this scheme by 9 March 2017. Whilst the Audit Committee need to consider this issue, the relevant regulations mean that the full Authority has to reach a decision as to whether they wish to opt in to this or not.

Information relating to the scheme is set out in Appendix 1 but some of the key points are:-

- Auditor appointments will operate for audits of the accounts from 2018/19 and for a period of 5 years.
- The scheme will save time and resources for local government bodies.
- A collective procurement should result in the best prices, keeping the cost of audit as low as possible without compromising on audit quality.
- The Local Audit and Accountability Act 2014 provide that firms must be registered as local public auditors with one of the chartered accountancy institutes acting in the capacity of a Recognised Supervisory Body (RSB). The quality of registered firms’ work will be subject to scrutiny by both the RSB

and the Financial Reporting Council (FRC), under arrangements set out in the Act.

- Public Sector Audit Appointments will only contract with audit firms that have a proven track record in undertaking public audit work.
- Scale fees will be determined by the prices achieved in the auditor procurement and hence will not be known until the exercise is completed. However fee levels will be carefully managed by securing competitive prices from firms and by minimising Public Sector Audit Appointments own costs.
- Contracts are likely to be awarded at the end of June 2017, following which Public Sector Audit Appointments will consult on the proposed scale of fees in autumn 2017 and to publish the fees applicable for 2018/19 in March 2018.

This is still seen as the best option to pursue at the present time, minimising procurement costs and resources, maximising buying power, and hence likely to result in the lowest fees.

Financial Implications

Opting-in to a national Sector Led Body is anticipated to result in the most competitive audit fees, and will remove the costs of establishing an auditor panel.

Human Resource Implications

None

Equality and Diversity Implications

None

Business Risk Implications

There is no immediate risk to the Authority, however the Local Audit and Accountability Act 2014 (the Act) requires a relevant authority to appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding year.

Environmental Impact

None

Local Government (Access to Information) Act 1985

List of Background Papers

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

27 October 2016

Email: appointingperson@psaa.co.uk

Chris Kenny
Lancashire Combined Fire Authority
Fire Brigade Head Quarters
Garstang Road Fulwood
Preston PR2 3LH

Copied to: Keith Mattinson, Director of Finance, Lancashire Combined Fire Authority
Dear Mr Kenny

Invitation to opt into the national scheme for auditor appointments

As you know the external auditor for the audit of the accounts for 2018/19 has to be appointed before the end of 2017. That may seem a long way away, but as there is now a choice about how to make that appointment, a decision on your authority's approach will be needed soon.

We are pleased that the Secretary of State has expressed his confidence in us by giving us the role of appointing local auditors under a national scheme. This is one choice open to your authority. We issued a prospectus about the scheme in July 2016, available to download on the [appointing person](#) page of our website, with other information you may find helpful.

The timetable we have outlined for appointing auditors under the scheme means we now need to issue a formal invitation to opt into these arrangements. The covering email provides the formal invitation, along with a form of acceptance of our invitation for you to use if your authority decides to join the national scheme. We believe the case for doing so is compelling. To help with your decision we have prepared the additional information attached to this letter.

I need to highlight two things:

- we need to receive your formal acceptance of this invitation by 9 March 2017; and
- the relevant regulations require that, except for a body that is a corporation sole (a police and crime commissioner), the decision to accept the invitation and to opt in needs to be made by the members of the authority meeting as a whole. We appreciate this will need to be built into your decision making timetable.

If you have any other questions not covered by our information, do not hesitate to contact us by email at appointingperson@psaa.co.uk.

Yours sincerely



Jon Hayes, Chief Officer

Appointing an external auditor

Information on the national scheme

Public Sector Audit Appointments Limited (PSAA)

We are a not-for-profit company established by the Local Government Association (LGA). We administer the current audit contracts, let by the Audit Commission before it closed.

We have the support of the LGA, which has worked to secure the option for principal local government and police bodies to appoint auditors through a dedicated sector-led national procurement body. We have established an advisory panel, drawn from representative groups of local government and police bodies, to give access to your views on the design and operation of the scheme.

The national scheme for appointing local auditors

We have been specified by the Secretary of State for Communities and Local Government as the appointing person for principal local government bodies. This means that we will make auditor appointments to principal local government bodies that choose to opt into the national appointment arrangements we will operate for audits of the accounts from 2018/19. These arrangements are sometimes described as the 'sector-led body' option, and our thinking for this scheme was set out in a prospectus circulated to you in July. The prospectus is available on the [appointing person](#) page of our website.

We will appoint an auditor for all opted-in authorities for each of the five financial years beginning from 1 April 2018, unless the Secretary of State chooses to terminate our role as the appointing person beforehand. He or she may only do so after first consulting opted-in authorities and the LGA.

What the appointing person scheme will offer

We are committed to making sure the national scheme will be an excellent option for auditor appointments for you.

We intend to run the scheme in a way that will save time and resources for local government bodies. We think that a collective procurement, which we will carry out on behalf of all opted-in authorities, will enable us to secure the best prices, keeping the cost of audit as low as possible for the bodies who choose to opt in, without compromising on audit quality.

Our current role means we have a unique experience and understanding of auditor procurement and the local public audit market.

Using the scheme will avoid the need for you to:

- establish an audit panel with independent members;
- manage your own auditor procurement and cover its costs;
- monitor the independence of your appointed auditor for the duration of the appointment;
- deal with the replacement of any auditor if required; and
- manage the contract with your auditor.

Our scheme will endeavour to appoint the same auditors to other opted-in bodies that are involved in formal collaboration or joint working initiatives, if you consider that a common auditor will enhance efficiency and value for money.

We will also try to be flexible about changing your auditor during the five-year appointing period if there is good reason, for example where new joint working arrangements are put in place.

Securing a high level of acceptances to the opt-in invitation will provide the best opportunity for us to achieve the most competitive prices from audit firms. The LGA has previously sought expressions of interest in the appointing person arrangements, and received positive responses from over 270 relevant authorities. We ultimately hope to achieve participation from the vast majority of eligible authorities.

High quality audits

The Local Audit and Accountability Act 2014 provides that firms must be registered as local public auditors with one of the chartered accountancy institutes acting in the capacity of a Recognised Supervisory Body (RSB). The quality of registered firms' work will be subject to scrutiny by both the RSB and the Financial Reporting Council (FRC), under arrangements set out in the Act.

We will:

- only contract with audit firms that have a proven track record in undertaking public audit work;
- include obligations in relation to maintaining and continuously improving quality in our contract terms and in the quality criteria in our tender evaluation;
- ensure that firms maintain the appropriate registration and will liaise closely with RSBs and the FRC to ensure that any quality concerns are detected at an early stage; and
- take a close interest in your feedback and in the rigour and effectiveness of firms' own quality assurance arrangements.

We will also liaise with the National Audit Office to help ensure that guidance to auditors is updated as necessary.

Procurement strategy

In developing our procurement strategy for the contracts with audit firms, we will have input from the advisory panel we have established. The panel will assist PSAA in developing arrangements for the national scheme, provide feedback to us on proposals as they develop, and helping us maintain effective channels of communication. We think it is particularly important to understand your preferences and priorities, to ensure we develop a strategy that reflects your needs within the constraints set out in legislation and in professional requirements.

In order to secure the best prices we are minded to let audit contracts:

- for 5 years;
- in 2 large contract areas nationally, with 3 or 4 contract lots per area, depending on the number of bodies that opt in; and
- to a number of firms in each contract area to help us manage independence issues.

The value of each contract will depend on the prices bid, with the firms offering the best value being awarded larger amounts of work. By having contracts with a number of firms, we will be able to manage issues of independence and avoid dominance of the market by one or two firms. Limiting the national volume of work available to any one firm will encourage competition and ensure the plurality of provision.

Auditor appointments and independence

Auditors must be independent of the bodies they audit, to enable them to carry out their work with objectivity and credibility, and in a way that commands public confidence.

We plan to take great care to ensure that every auditor appointment passes this test. We will also monitor significant proposals for auditors to carry out consultancy or other non-audit work, to protect the independence of auditor appointments.

We will consult you on the appointment of your auditor, most likely from September 2017. To make the most effective allocation of appointments, it will help us to know about:

- any potential constraints on the appointment of your auditor because of a lack of independence, for example as a result of consultancy work awarded to a particular firm;
- any joint working or collaboration arrangements that you think should influence the appointment; and
- other local factors you think are relevant to making the appointment.

We will ask you for this information after you have opted in.

Auditor appointments for the audit of the accounts of the 2018/19 financial year must be made by 31 December 2017.

Fee scales

We will ensure that fee levels are carefully managed by securing competitive prices from firms and by minimising our own costs. Any surplus funds will be returned to scheme members under our articles of association and our memorandum of understanding with the Department for Communities and Local Government and the LGA.

Our costs for setting up and managing the scheme will need to be covered by audit fees. We expect our annual operating costs will be lower than our current costs because we expect to employ a smaller team to manage the scheme. We are intending to fund an element of the costs of establishing the scheme, including the costs of procuring audit contracts, from local government's share of our current deferred income. We think this is appropriate because the new scheme will be available to all relevant principal local government bodies.

PSAA will pool scheme costs and charge fees to audited bodies in accordance with a fair scale of fees which has regard to size, complexity and audit risk, most likely as evidenced by audit fees for 2016/17. Pooling means that everyone in the scheme will benefit from the most competitive prices. Fees will reflect the number of scheme participants – the greater the level of participation, the better the value represented by our scale fees.

Scale fees will be determined by the prices achieved in the auditor procurement that PSAA will need to undertake during the early part of 2017. Contracts are likely to be awarded at the end of June 2017, and at this point the overall cost and therefore the level of fees required will be clear. We expect to consult on the proposed scale of fees in autumn 2017 and to publish the fees applicable for 2018/19 in March 2018.

Opting in

The closing date for opting in is 9 March 2017. We have allowed more than the minimum eight week notice period required, because the formal approval process for most eligible bodies, except police and crime commissioners, is a decision made by the members of an authority meeting as a whole.

We will confirm receipt of all opt-in notices. A full list of authorities who opt in will be published on our website. Once we have received an opt-in notice, we will write to you to request information on any joint working arrangements relevant to your auditor appointment, and any potential independence matters that would prevent us appointing a particular firm.

If you decide not to accept the invitation to opt in by the closing date, you may subsequently make a request to opt in, but only after 1 April 2018. The earliest an auditor appointment can be made for authorities that opt in after the closing date is therefore for the audit of the accounts for 2019/20. We are required to consider such requests, and agree to them unless there are reasonable grounds for their refusal.

Timetable

In summary, we expect the timetable for the new arrangements to be:

- Invitation to opt in issued 27 October 2016
- Closing date for receipt of notices to opt in 9 March 2017
- Contract notice published 20 February 2017
- Award audit contracts By end of June 2017
- Consult on and make auditor appointments By end of December 2017
- Consult on and publish scale fees By end of March 2018

Enquiries

We publish frequently asked questions on our [website](#). We are keen to receive feedback from local bodies on our plans. Please email your feedback or questions to: appointingperson@psaa.co.uk.

If you would like to discuss a particular issue with us, please send an email to the above address, and we will make arrangements either to telephone or meet you.

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LANCASHIRE COMBINED FIRE AUTHORITY

Meeting to be held on Monday 20 February 2017

NEXT STEPS FOR FIRE REFORM – MINISTERIAL SPEECH – 7 FEBRUARY 2017 (Appendix 1 refers)

Contact for further information: Chris Kenny – Chief Fire Officer
Telephone: 01772 866800

Executive Summary

On 7 February 2017 the Rt Hon Brandon Lewis, Minister of State for Policing and the Fire Service, gave a speech on the “Next Steps for Fire Reform”. In this he gave his views on the direction of travel for the Fire and Rescue Service (FRS) and critical factors that Fire Authorities should be aware of and preparing for. A full transcript of the speech can be found as appendix 1 and a link to the video of the speech is also provided. <https://youtu.be/N7F0dInwOYM>

This paper summarises some of the key issues so Members can consider these in their planning process for next year. There are definite synergies between this speech and the Adrian Thomas Review which is the following Authority paper.

Recommendation

That Members note the contents of the report and are aware of the Government’s intended direction of travel for the coming year.

Information

On 7 February 2017 ACO Russel attended a speech organised by a government think tank, Reform in London. Lancashire Fire & Rescue Service (LFRS) were one of 35 Fire and Rescue Services (FRS) represented. The Rt Hon Brandon Lewis, Minister for Policing and the Fire Service, gave a 30 minute speech on the “Next Steps for Fire Reform”. The tone of the speech recognised some progress had been made in improving the FRS but it had to go “further and faster”. He linked this speech to those from previous years to emphasise reoccurring themes that had still to be addressed. These were:

- Outdated Working Policies;
- Lack of Diversity;
- No Independent Scrutiny;
- Improving Procurement Procedure (mentioned later).

Scrutiny

The lack of independent scrutiny would be remedied by the introduction of a new Inspectorate for the Fire Service looking at efficiency and effectiveness, with particular reference to response and prevention, Value for Money (VFM), understanding demand and future risks, together with its leadership, training,

diversity, values and culture. These areas would be complemented by thematic inspection, the first area being diversity, flexible employment and collaboration. Inspections will commence this year and be complemented by a transformed peer review process.

Greater transparency and accountability would also be facilitated by the introduction of a new website providing incident and performance data. It would mirror the police approach including information of Chief Fire Officers' pay, expenditure, accounts, efficiency plans and workforce composition.

Governance

Regarding the Police and Crime Act he confirmed the new term of Police, Fire and Crime Commissioners. He did not propose a blanket takeover of FRS by these commissioners but did emphasise that a local business case could be made and that FRA were obliged to co-operate in preparing this. The objection of a FRA to any proposed change would not be enough on its own to prevent a change occurring. He emphasised the opportunity to make closer and stronger links between fire and police, and for FRA to work closer with Police and Crime Commissioners to get the best outcome for their Communities.

The Minister indicated his intention to work productively with the newly constituted National Fire Chiefs Council (NFCC), which he viewed as the operational voice of the FRS. Also mentioned was the Chief Fire Officers Association's (CFOA) work on peer review, procurement and standards. There was also an increased emphasis on collaboration and he highlighted best practice with some examples provided.

Professional Standards body

To provide a consistent standard to test against, the Minister announced his intention to set up an Independent Standards Body. This would provide guidance and standards on leadership, workforce development, equality and diversity and codify effective practice. This could be integrated within or affiliated to the College of Policing.

Culture

Reference was made to culture and the Adrian Thomas Review. To avoid duplication, these matters are reserved to the following CFA paper. Suffice to say, great emphasis was made on diversity and the workforce composition reflecting the communities they serve.

Procurement

The speech reminded the audience of the disparity in the cost of some goods procured by FRS exposed in a recent Home Office Survey. He intended to extend the 'basket of goods' exercise in the Spring to include training procurement and facilities management and then to repeat the whole exercise again in the Autumn.

The experience in Lancashire has been that we pay below average on 18 of the 24 items.

For 7 items, we were 25% cheaper than national average.

Of the 6 areas where we are deemed above average, only 3 of these exceeded the average by more than 10%. These can be explained by the increased complexity or high quality of goods we are procuring.

For example, we buy wicking T-shirts which are £2.00 more expensive than cotton to increase comfort and reduce the risk of flash burns.

Desktop PCs are relatively few in number and predominantly reserved for high end CAD and GIS applications, hence they are more expensive. Our general use of thin client servers is far cheaper than laptops.

Our BA sets cost £1,100 compared to an average of £795 for a basic set. However, our high tech approach includes telemetry that automatically updates information held outside the working area and provides a communications link in emergencies.

Business Risk

The next expected steps for the government are to enshrine its stated direction of travel with a refreshed National Framework, to be published later this year. This will clarify national expectations and responsibilities. Under the Fire and Rescue Services Act 2004, FRA “must have regard to the Framework in carrying out their functions”. If an Authority fails to act in accordance with the Framework, the Secretary then has powers of intervention.

It is worth noting that the Home Office has just instigated a 3 month investigation in Avon Fire & Rescue Authority, so this could be an indication of government adopting a more proactive approach in the future.

Environmental Impact

None arising from this report.

Equality and Diversity Implications

Increasing diversity is a clear mandate from government. LFRS currently reflects the national picture of being 96% white and 95% male. The Minister was clear that lack of recruitment does not constitute an excuse in this area. Any actions that do not align to this agenda will be scrutinised and expose the FRA to potential criticism.

HR Implications

Covered in the section of Equality and Diversity.

Financial Implications

VFM is a criteria that will be looked at by any inspection regime and there will be increased scrutiny of Procurement processors going forward.

Local Government (Access to Information) Act 1985
List of Background Papers

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



Speech

Fire Minister's speech to Reform

From: Home Office (<https://www.gov.uk/government/organisations/home-office>) and **Brandon Lewis MP** (<https://www.gov.uk/government/people/brandon-lewis>)

Delivered on: 7 February 2017 (Transcript of the speech, exactly as it was delivered)

Location: Institution of Mechanical Engineers, Westminster, London

First published: 7 February 2017

Part of: Fire prevention and rescue (<https://www.gov.uk/government/policies/fire-prevention-and-rescue>)

Brandon Lewis, Minister for Policing and the Fire Service, sets out his vision for the fire sector in 2017 at an event hosted by Reform.



Thank you Andrew. It's a great pleasure to be here today speaking at one of Britain's most influential think tanks on public sector reform. Thank you to your team and thank you to you, Tim, for your support.

And it's particularly good to have the chairs of fire and rescue authorities, chief fire officers and others from across the fire industry all in the audience.

Before I come on to the core of what I want to say today, I want to start today by offering my condolences to the family, friends and colleagues of Tom Naples from Northumberland Fire and Rescue Service and fire officer Alan Grant from Surrey Fire and Rescue Service, both who sadly passed away recently. My thoughts are with both their families and their colleagues at this incredibly difficult time.

Last year, the Prime Minister – when she was Home Secretary – addressed Reform outlining her vision for the fire and rescue service. She set out a programme of reform that was as radical and ambitious as the one she had laid out for policing in 2010 and she explained her aspiration for a more accountable, more efficient and professional fire and rescue service.

It is a fitting time to address you today less than a week after the Policing and Crime Act 2017 (<https://www.gov.uk/government/collections/policing-and-crime-bill>) received Royal Assent, which in itself enables the transformation of local fire governance and seeks to drive greater collaboration.

In July I was very pleased to be appointed as the new Minister for Policing and the Fire Service. I continue to be hugely impressed by the work our firefighters do and the challenge they face every time they go on duty. The bravery they show whether responding to a fire, a flood or the collapse of a building. Our fire and rescue services do stellar, impressive work.

I've seen how the service is changing. Services are transforming and seizing opportunities for collaboration.

We've also seen a significant reduction in the number of fires and fire fatalities over the past decade especially. There's been over a 50% reduction in the number of fires and more than a 20% drop in the number of fire fatalities.

And in April we will see the creation of the National Fire Chiefs' Council, which in itself will be a positive step forward, transforming the operational voice of the service. I also want to congratulate you, Roy, on your appointment and I look forward to seeing your delivery plan which I hope is big, bold and ambitious for the future of the fire service.

But I have also seen the problems. Outdated working practices, a lack of diversity, no independent scrutiny of services. When I spoke to chiefs in September last year there was a realisation that I was reiterating the same messages about what needed to change as when I addressed you back in September 2012.

I have been encouraged to see that reform is happening across the service. But I want reform to go further and faster. So today, I want to outline what my expectations are for the coming year and what I think needs to be done to make our fire and rescue service the best it can be and continue to be renowned as the best in the world.

I want 2017 to be a big year for fire and rescue. If we get it right, we have the potential to transform the sector for the better, to create a fire service that is ready for the challenges of the future. I want this to be the year when real change happens.

So today, I thought today would be a good opportunity to talk to you about the areas where I want to see transformation.

Accountability and transparency

When the Prime Minister spoke about the need for reform, one of the problems she highlighted was the lack of a suitable inspection regime. She commented that the system in place which involved chief fire officers handpicking their own reviewer, setting their own terms of reference and then deciding whether or not to publish the results, was like setting your own exam paper and then resolving that you have passed.

This isn't acceptable and it's why we are creating a new inspectorate for the fire service. This will be modelled on HMIC, including (as with policing) a focus on efficiency and effectiveness. It is essential that regardless of provider, inspection teams include suitable skills and expertise from the fire sector.

This new inspectorate will be empowered to determine how effective each service is to prevent and respond to incidents; whether the service provides value for money; whether the service understands its current demands and where the future risks lie; and its leadership, training, diversity, values and culture.

My ambition is for the first inspection to take place this year and I will make a further announcement shortly

We will also be able to commission thematic inspections on individual issues if needed. I can announce today that the first issues I want the inspectorate to focus on are diversity, collaboration and flexible deployment.

The Local Government Association's peer review must also change to complement the work of the forthcoming inspectorate. So, I look forward to hearing their proposals about how this will be transformed into a genuine sector-led improvement process.

And to support greater transparency and to encourage greater accountability I will also be creating a new website, operational this year, to mirror what we see on www.police.uk (<https://www.police.uk/>). This website will hold a range of information, all in one place, about the fire and rescue service. This will include data which helps the public to assess the performance of their local service as well as information about chief officer pay, expenditure, accounts, efficiency plans and workforce composition.

Police.uk has proven to be an incredibly popular tool and I hope this site will be just as valued by the public. It has the ability to unleash armchair auditors to scrutinise and do their work on how their service is operating.

In the spring I will also publish the first tranche of incident-level data from the Incident Recording System (<https://www.gov.uk/government/publications/incident-recording-system-for-fire-and-rescue-authorities>), which is something that you have asked for.

I will also increase accountability by bringing the same direct democratic mandate to oversight of fire and rescue as we already have in policing.

The Policing and Crime Act, given Royal Assent last week, will enable police and crime commissioners (PCCs) to take on responsibility for the governance of local fire and rescue services where a local case is made. And to ensure fire's distinct identity remains, they will be called police, fire and crime commissioners.

By overseeing both police and fire services, I am clear that PCCs can drive the pace of reform, maximize the benefits of collaboration and ensure best practice is shared.

But I also want to be clear about a couple of things:

- I am not proposing a blanket police takeover of fire and rescue services
- I am not proposing the merging of the roles of firefighter and police officer
- and I am not forcing fire services to do this

This is instead an ideal opportunity for fire and rescue services to develop closer and stronger partnerships with policing.

Now of course, it is only right that PCCs consult local people on their proposals and listen to local views; and they are required to do so by the act. But if there is a PCC who has a clear case and a fire and rescue authority saying they do not want to see change just because they are comfortable with the status quo – I need to be equally clear this won't be good enough.

I expect fire and rescue authorities to work with PCCs by providing the information they need to develop their proposals. The Policing and Crime Act places a legal duty on fire and rescue authorities to cooperate and to provide the information that a PCC reasonably requires to build their business case and I do not want to hear of further cases where information is unreasonably withheld or there are attempts to delay business case development.

If a fire authority is being obstructive then you must stop. I urge you all to work constructively with your PCC to get the best outcome for your local communities, which is at the heart of what all of us want.

Efficiency and collaboration

I want now to turn to procurement.

Fire helmets are worn up and down the country by firefighters. Except that while one service pays £85 for one of these, another pays £252.

Last year, we revealed for the first time through the basket of goods exercise, how much fire and rescue authorities spend on 25 common pieces of kit like uniforms, fire engines and frontline equipment. We revealed that some were paying 5 times more than others for similar or the same equipment. Prices paid for breathing kit ranged from £328 to £1,504, while a handheld thermal imaging camera varied by over £4,500. There was a massive £28,000 difference on the price paid for staff vehicles. This information is in the public domain on GOV.UK

(<https://www.gov.uk/government/publications/fire-and-rescue-authority-procurement-data>) where the public can consider how much their service pays for kit.

I'm pleased from what I have seen over the past few months that the sector has started to respond to these findings and to make changes to procurement practices as a result - through the Chief Fire Officers' Association's new commercial strategy.

But I want every service to be involved in this. It is in everybody's interest for the sector to be getting the best deal they can. I want every service to be taking a long hard look at their procurement practices and questioning whether they could be much more strategic. And I challenge the sector to give me a quantifiable ambition as to what savings are possible.

I want to see services working together and getting a better deal from suppliers in order to save themselves time and the taxpayer money. It makes no sense at all for fire and rescue authorities to be buying separately when there are so many benefits to be gained from buying together.

I will be asking fire chiefs to lay out what they spend when I ask them to repeat the same basket of goods exercise this autumn where I hope to see that the gap between what different services have paid for items has narrowed – preferably considerably.

I can announce today that I will undertake a separate and more extensive basket of goods exercise in the spring. This will cover wider services like the costs of facilities management and training procurement. Results will be published on the future website.

But procurement is just one area where efficiency savings could be made. I am also keen for services to keep their eyes open for collaboration opportunities.

The Policing and Crime Act introduces a new statutory duty on the emergency services to keep collaboration opportunities under review and to enter into collaboration where it would be in the interests of their efficiency or effectiveness to do so. This new duty will come into force in April 2017 and going forward, I expect the pace and ambition of collaboration to increase and for it to become the norm.

As I've already said, there are now half the number of fires there were a decade ago. That is great news for all of us and a testament to work those involved in prevention have been doing. But it poses questions about the role of the service going forward, how you can deliver what is needed more efficiently and how the service should engage with other local services.

Better joint working can strengthen our emergency services, deliver significant savings to the taxpayer and – most importantly - enable them to better protect the public.

And I will champion best practice. When we have a genuinely innovative approach to joint working, I'll get behind it. On the flip side, where I see a lack of ambition and action I'll challenge it. Every one of us in this room has a duty to the sector to make sure we are challenging it.

I've seen some great examples of collaborative working. For example, the sharing of headquarters between fire and police in Hampshire and in London, collaboration between the Ambulance Service's First Responder Scheme and the London Fire Brigade. And in Durham and Cornwall, we have tri-service Community Safety Responders who work as PCSOs, retained fire-fighters and emergency medical responders, bringing great benefits to the community that they serve.

Examples like these show that the fire sector is already listening and moving forward with some great collaboration projects already happening. I have seen how local government, for example, has delivered sensible savings whilst protecting frontline services and keeping council tax down.

And I do know many services are delivering a range of wider community safety initiatives too, both independently and in collaboration with other local and national partners to tackle vulnerability and reduce pressure on health and social care services.

Where these projects support the key public sector principles of efficiency, economy and effectiveness and where they deliver genuine and measurable results, I am more than happy to support them.

We also need to be clear about the core functions of the fire service because I do not expect this work to be carried out at the expense of those functions. Nor, of course, would I expect it to be used as an excuse for not considering the scope for workforce efficiencies.

I am all too aware that although there has been a significant reduction in the number of fires and fire fatalities over the last decade, our most recent figures show there have been some worrying increases – a 15% increase in the number of people who died last year as a result of fires and a 5% increase in the number of fires attended. These figures are a stark reminder that we cannot be complacent and we must continue to maintain a clear focus on keeping our communities safe from fire.

Workforce reform

And moving onto the workforce, there are problems which must be addressed.

Like everyone in this room, I want all fire personnel, whether full time, on-call or a mixture of both, to be the best trained and most professional in the world. And to help with this, I will be establishing a new professional standards body for everyone in fire and rescue which will build a comprehensive professional framework of standards for the service.

This will be a body that is for the sector, setting standards on a range of issues including leadership, workforce development, equality and diversity and codifying effective practice.

Having one central professional body will help fire staff to think of themselves as one profession with common goals and standards, rather than forty five separate services.

This new body will work with all the organisations that are currently devising standards to develop and test new ones and to consider the effectiveness of the ones which already exist.

I expect the new inspectorate will also inspect against the standards this body sets and in turn, for the standards body to carefully consider the inspectorate's findings when setting their standards.

A working group led by Chief Fire Officer Dave Curry has been established to develop costed proposals and to determine the scope and remit of this body. It will consider 2 options – a new fire standards body affiliated to the College of Policing or creating potentially a fully combined College of Policing and Fire. I expect that these considerations will conclude by September and that the new body will be operational later this year.

There is considerable scope to improve for recruitment, training, development and leadership at every level of the fire and rescue service and this new body will help do just that.

But it's not just a new professional body that the service needs; it needs a culture shift too.

I published the Thomas Review (<https://www.gov.uk/government/publications/conditions-of-service-for-fire-and-rescue-staff-independent-review>) in November, which felt like déjà vu as I had commissioned it a few years before, and it made a number of recommendations, which (if implemented) will secure the future of the service for years to come by creating a diverse working environment free from bullying and harassment, with strong leadership and more flexible working conditions and for the teams who work in it. Things that I am sure everyone in this room thinks are important.

And I am encouraged that the Local Government Association, in partnership with the sector, recognises the need to take swift action in response to this report and deliver vital reforms to the workforce. And I expect the recommendations of the review to be followed, particularly in relation to reforming the National Joint Council and the grey book, and I will be closely monitoring progress.

I am also heartened by reform in some areas – for example last year I visited Buckinghamshire Fire and Rescue Service recently who have introduced flexible crewing systems, negotiated locally. Firefighters themselves welcome this flexibility and the broader use of their skills; at the same time it delivers a better value service for local communities. But I want to see more innovation like this across the country.

And as the Thomas Review made clear, the service's culture must change to accept that women and ethnic minorities, together with all groups that make up the diversity of the working population, have a place in the fire and rescue service.

One of my biggest disappointments last year was publishing the latest workforce statistics and seeing that very little has changed in terms of diversity.

A workforce should represent the community that it serves. But in fire at the moment, this isn't the case. Firefighters are white and male – to be precise 96% white, 95% male.

And I've been to fire stations where it seems to me like there's more diversity in the range of fire hoses than firefighters. And from the reaction of everyone in the room I think many of you know that.

I recognise that some services are trying to work on this but the proportion of Black and Minority Ethnic (BME) and female fire fighters must increase and I welcome the challenge Commissioner Dany Cotton gave yesterday to increase the percentage of female operational staff in London Fire Brigade from 7% to 18%.

Before we get into the questions and answer session, I have heard the excuse many times that this woeful lack of diversity is due to a reduction in recruitment in recent years. Before anyone makes this point, let me say this. That isn't good enough. This is an issue decades in the making. Recruitment is only one aspect. A culture shift is needed. Action is needed on career progression, inclusive working practices and recruitment. Progression through the service has to improve.

Policing has shown that improvement is possible. While it still has a way to go, there have been significant improvements and forces now have a greater proportion of female and BME officers than ever before. In fact, there are 5 times the proportion of female police officers in policing than female firefighters. And the rate of police joiners from a BME background was over 12% last year. One in 4 new recruits to the Metropolitan Police are non-white.

These changes, these improvements are down to determined action across police forces, using targeted attraction strategies and redesigned recruitment practices, as well as the leadership of the College of Policing which itself has published advice on the use of lawful positive action and has provided case studies from forces showing what can be achieved. Doing something we don't do enough of – sharing good practice.

I want the Local Government Association and fire and rescue services to spring into action on this and follow the example of the police. Once up and running, I also expect the new inspectorate to identify barriers to diversity across services and for each service to respond to the issues that it faces.

Let's also be clear that almost a third of the workforce due to retire soon, there is a golden opportunity for services to look hard at how you recruit and who you recruit, and to make sure that your workforce reflects the communities that you serve.

And to those of you who are due to retire, I would like to thank you for your service. Firefighters give every single day and we must respect that.

But there is one retirement activity which I cannot condone. That is the practice of senior fire officers retiring from their posts and subsequently being re-employed in the same or very similar roles. The sector knows this is wrong and it needs to stop. I will shortly consult on revising the national framework to discourage this practice, in advance of a full review of the national framework later this year.

Conclusion

I would like to conclude by saying that the year ahead is going to be a year of change for the fire service. We must be determined that this is the year that all the discussions we have had our put in to practice.

I want to see a service which is more transparent, more accountable, more efficient and more professional.

I want services to ask themselves difficult questions like:

- are we an inclusive enough?
- how do we attract the best people?
- are we providing the best and most cost efficient service to our local community?

And to find solutions. And look across the sector to see where we can learn from.

The changes I have outlined will all help with this: The National Fire Chief's Council to drive operational change; the inspectorate to provide assurance and the standards body to support workforce development. All of this will be underpinned by a refreshed national framework which will clarify expectations and responsibilities.

But ultimately, the reform agenda is not owned by Whitehall. The Local Government Association, CFOA and the new National Fire Chiefs' Council must be at the heart of this agenda. We as leaders owe it to the brave fire-fighters on the front line and all who work with them to build the right, strong institutions which support their hard work and dedication. And I want each and every service to bring about the changes which could benefit you. And I look forward to seeing the results.

Thank you.

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LANCASHIRE COMBINED FIRE AUTHORITY

Meeting to be held on Monday 20 February 2017

ADRIAN THOMAS' INDEPENDENT REVIEW OF CONDITIONS OF SERVICE FOR FIRE AND RESCUE STAFF IN ENGLAND – FEBRUARY 2015

(Appendices 1 and 2 refer)

Contact for further information: Bob Warren – Director of People & Development

Telephone: 01772 866804

Executive Summary

This report is provided for information.

A paper advising the Authority that the Adrian Thomas Review on Conditions of Service (AT) had been published on 3 November 2016 was tabled at the CFA meeting held on 19 January 2017. The Authority was advised that the report contained 45 recommendations grouped around 5 themes which needed to be reflected on by the various elements of the Fire Sector (Government, LGA, CFOA, Unions as well as individual authorities and services) and that an update report would be brought to the next Fire Authority meeting.

The Review is confined to Fire & Rescue Authorities in England (46) but has wider impact. The findings are grouped into five areas:

- The Working Environment
- Documented Conditions of Service
- Industrial Relations
- Retained Duty System
- Management of the Fire & Rescue Service

The Government has commented on the suggestion to limit the ability to strike whilst the LGA are considering how and which recommendations to pursue. Similarly the other stakeholders, such as unions and Chief Fire Officers Association (CFOA), are considering their positions. Whilst this work is ongoing, this paper provides Members with an assessment of LFRS' position against the recommendations in the AT report. (To assist Members, in some instances a personal view has been provided as the detail for informed positioning is not available).

What is evident is that in Government circles the report has been favourably received and has been referenced in various conversations and speeches such as the Fire Minister's "Reform" speech.

Recommendation

The Authority is asked to note the assessment of the Service's position against the findings of the Report and the current position.

Information

The Adrian Thomas Report was commissioned in August 2014 by the then Fire Minister, Penny Mordant MP, to review the barriers to change highlighted by Sir Ken Knight in the Facing the Future Report (May 2013) and was formally commenced in October 2014 with the report being submitted to DCLG in Spring 2015.

The terms of reference are attached as Appendix 1. Although a copy of the report was provided at the last Authority meeting the link for the report is <https://www.gov.uk/government/publications/conditions-of-service-for-fire-and-rescue-staff-independent-review>.

The publication of the report in November 2016 is over two years after the Report was commissioned and a number of comments made have now become historical in context or overtaken by events. Similarly, LFRS can demonstrate its position in a favourable light in respect of many of the findings, as the Service/Authority did do in respect of the Sir Ken Knight Review. In effect, many of the issues directly in LFRS' control are being progressed within existing activity.

The Local Government Association (LGA) given the reference to applying only to England are considering the review through its Fire Services Management Committee prior to consideration at the NJC which would then involve the devolved administrations and the unions. These detailed discussions are on-going. However it is clear the Report's recommendations have the potential to impact to varying degrees on the Authority. So it is considered prudent to consider the thrust and direction of the Report when framing and further developing LFRS' main Human Resources (HR) and Organisational Development activities.

In this respect, whilst the key areas are identified below, an early gap analysis has been undertaken between the Report's recommendations and the Service's position which is attached (Appendix 2) to inform that consideration. It is hoped that the gap analysis will also be beneficial in future interactions with the proposed inspectorate regime.

Key Themes

Employment costs are a significant element if not the majority of costs for all Fire Services.

The main findings are summarised in pages 12-18 of the Report.

The themes emerging for consideration in the sector are:

- How can some authorities make progress whilst others do not;
- Greater cross fertilisation of issues should be developed (institutional learning);
- The Conditions of Service and negotiation arrangements should be "modernised" including Role Maps and Duty Systems and content;
- Issues in respect of employee engagement including culture and trust, including equality & diversity and bullying and harassment issues;

- National Leadership development/standards;
- Remove the Right to Strike;
- Greater use of Retained Duty System, ie more RDS appliances;
- Future Recruitment.

The key strap line is “where change is common sense, it should become common practice”.

Contained within the findings are many other areas such as governance and pay statements.

Business Risk

Although the Report has been published well after both its commissioning and construct, it contains ‘food for thought’ in respect of our organisational development.

Environmental Impact

N/A.

Equality and Diversity Implications

Utilised correctly, the Report and any national response could assist the Service’s approaches.

HR Implications

Whilst the content of the Report, in some areas, is not considered robust, the thrust is in line with the Service’s HR strategies and should not be a significant issue in any inspection regime process.

Financial Implications

No additional implications have been identified as a result of the report, although the report supports and reinforces the existing HR plans contained within the service plan and 2017/8 budget.

**Local Government (Access to Information) Act 1985
List of Background Papers**

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

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Thomas Review – terms of reference

To review the conditions of service of chief fire officers and firefighters and the processes by which they are determined to consider whether they present barriers to the reform, improvement and efficiency of fire and rescue services.

In particular, the review should consider barriers to:

- the flexibility and responsiveness of workforce management practices, staffing and crewing arrangements
- people working longer, and ensuring they achieve, or if desired, exceed their normal pension age
- collaboration and integration with other emergency services
- the increased use of on call firefighters
- clarity of process in the fair recruitment and remuneration of chief fire officers and fire officers

The review should also consider the national arrangements for agreeing conditions of service, in particular:

- whether a UK-wide process remains appropriate
- whether there is sufficient independent advice and expertise in the process
- whether there are sufficient mechanisms to ensure that conditions of service keep pace with the rest of the public sector
- consider the current usefulness of the Grey and Gold Books, and the present arrangements for dispute resolution within the Grey Book
- consider the arrangements for agreeing remuneration of senior officers in fire and rescue authorities
- identify any barriers in moving between the Grey and Green Books
- the impact on services by the undertaking of activity, by firefighters, outside of normal working hours/shift systems

In conducting this review, the review team should consult with fire and rescue authorities, firefighters, representative bodies, and others they deem relevant. It will be an independent report to government but may make recommendations to others, including fire and rescue authorities and representative bodies. Where possible, recommendations should be costed and of sufficient detail to enable effective implementation.

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Fire and Rescue Service Conditions of Service – Barriers to Change review

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No.	Recommendation	LFRS position
1	<p><u>Working Environment</u></p> <p>Culture and trust are at the centre of many of the changes required to create a high performing service aligned to the needs of the people it serves. A consistent employee engagement survey should be developed and deployed across the service (allowing inter authority comparisons) and ‘hard wired’ into management objectives.</p>	<p>We have a good strength here and it is embedded. We realigned all of our corporate KPIs and this includes staff engagement measured by an anonymous staff engagement survey. This gives us an indicator that is reported to the CFA and therefore to the public. The survey mirrors the questions asked by the Civil Service People Survey. It is included within our annual service plan and linked to our key objectives and values. We also have evidence of actions taken as a result that included a totally revised staff communication plan, Action learning sets for staff, actions communicated via the CFO blog, revised promotions and development processes etc.</p> <p>We do not support a centrally driven survey.</p>
2	<p>Early engagement with employee representatives at the earliest opportunity should be a feature of all change programmes.</p>	<p>Excellent relationships have existed with employee representatives particularly with Unison and FBU for many years which have been maintained following changes in union representatives. This is in marked contrast to many other services. Within the last three years we have included ‘Staff consultation’ as a standing agenda item on both SMT and CPB. The CPB programme is also new to the service and introduces a structure with change programmes that ensures early proportionate engagement with representatives. An example here could be NWS CFR project or the establishment of USAR DCP.</p>
3	<p>Fire and rescue services should deploy training in effective change management, leadership and employee engagement in addition to Industrial Relations.</p>	<p>I would point to action learning sets, flexi Fridays, directorate staff development days and project management training. Individuals need to know the basics before what the development investment in next year’s budget will assist with. In 2017/18 more structural management development is being introduced to bring our procedures into line and encompass all managers. The Workforce Development activities include priority areas established such as a Healthy Organisational Culture, Sustainable Workforce, Capable Workforce, Effective Leadership and Managers.</p>
4	<p>Increased importance should be placed by fire and rescue services on employee communication – appropriate management training and processes (direct to employee) should be implemented.</p>	<p>I would refer to answer one and two evidence of the staff communication programme.</p> <ul style="list-style-type: none"> Routine Briefing Appraisals Principal Officer Visits Significant investment of time by us in quote ‘direct to employee’ engagement

5	Fire and rescue services should instigate audits of the flow of management information reaching the workforce with the aim of improving the flow of information to the frontline firefighter.	Again as above. Evidence is available of the 'checking' process in relation to routine briefing but there is also plenty of good practise to note due to our extensive PO visit programme which not only does the frontline firefighter but every team and separately FDS officers (team talk) so that they are also appropriately informed to speak to frontline staff effectively.
6	Management performance objectives should be hard wired to the results of an annual employee engagement and communication survey.	This is in our current staff appraisal process but a revamped process is being introduced in 2017/18. Certainly the thread is there in terms of the annual service plan, KPIs and objectives. It seems to me that this question actually relates to whether our Annual Service Plan takes on board options put forward by staff as part of the engagement process, which we can point to examples.
7	Unconscious bias training should be rolled out across the fire and rescue service.	This features in many of the programmes we undertake in particular the equality and diversity activity and more senior input. It is included as part of the development of workplans for training activity.
8	The leadership of the fire and rescue service (represented by the LGA and CFOA) and the employee representative together with special interest groups representing women and black and minority ethnic firefighters should publish a memorandum of understanding as to how people will be treated.	This recommendation is not addressed to LCFA but a link can be drawn with our intention to set our vision for where we go next on the equalities agenda for LFRS.
9	Research should be directed at how the cadet scheme could be utilised to widen the diversity of the service and how the interest in supporting the fire service can be maintained when the cadets leave the scheme (impacting both equality and potentially the retained duty system).	We have a Cadet Programme and value of locating Units in RDS locations is acknowledged but this recommendation is not seen as relevant to LCFA. The Service is exploring the use of apprenticeship schemes in this area as a pathway to employment for young people.

10	Each fire and rescue service should maintain an active register of firefighters with second jobs. A refusal or failure to declare a second job should be treated as a serious disciplinary matter.	All of our WT Firefighters have to formally seek permission to hold a second job. As a disciplinary matter the definition of serious needs espousing. No notification normally comes to light with other issues and the combination is likely to be serious. In LFRS we have disciplined individuals who have either not secured permission for secondary employment or have breached the conditions of the approval.
11	Implement a single technological/equipment evaluation facility.	This is a good point that the sector should progress and links into the CFOA workstreams providing it is appropriate (ie market competition retained).
12	The fire and rescue services in conjunction with the DCLG should create a national communication programme highlighting the range of activities and skills beyond fighting fire currently undertaken by firefighters. The aim o this would be to raise public awareness that creating a flexible fire and rescue service alighted to prevention is key to increasing safety in the local community.	This is directed to government and CFOA. To highlight the range of the role would be a useful tool in public awareness and recruitment. Public perception of the role of a FF in the main remains very narrow objective should be to raise awareness whilst strengthening brand.
13	<p><u>Conditions of Service</u></p> <p>Slim down and modernise the Grey Book, removing duty systems and reference to the role maps and national occupational standards and replace with contracts of employment.</p>	<p>Individuals have contracts of employment. The ‘grey book’ as modified locally is part of the contract.</p> <p>The Service would support, as modified locally, that role maps and national occupational standards should be removed, but the issue is an NJC issue which is being considered.</p>
14	Minimum night time shift hours should be removed from the Grey Book	NJC issue - working time directive would apply

15	Additional payments, collaboration and use of new technology should be removed from the Grey Book and made the subject of local negotiation.	<p>NJC issue</p> <p>Although the intent is understood, what needs to be recognised is these are already individual conditions of employment which cannot be removed without moving to individual contractual negotiation (probably requiring issuing of termination notices and reengagement offers).</p> <p>Making issues subject to local negotiation is not the panacea. Although unpopular my personal view is the problem with the grey book is the inability for services to understand and utilise the flexibilities. These will not automatically appear by localising everything</p>
16	The national employers, government and employee representatives should, at an appropriate time following the current dispute and in support of establishing a changed culture (as detailed earlier) meet and agree a redefined national joint protocol on industrial relations.	<p>NJC issue being progressed at that level.</p> <p>The issue here is the right to strike- to negotiate the condition away would require a significant increase in pay (not justified) or government action. For a fundamental emergency service union it is unrealistic to expect an agreement to totally protect emergency scenarios in periods of strike action. It would require government action or TUC agreement (neither scenario is likely). Principle already exists.</p>
17	The ability to compulsory move an individual from the flexible duty system should be introduced.	<p>NJC issue</p> <p>Agreed intent but unlikely to be by agreement and whilst 1992 pension fund employees are in active service a significant issue.</p>
18	<p><u>Industrial Relations</u></p> <p>The NJC should be retained for the purposes of national pay bargaining for basic pay whilst reforming itself to represent employers and employees on a more local basis for all other conditions of service including incremental pay for acquiring competencies beyond 'safe to ride'.</p>	<p>NJC issue – core conditions of employment are wider than 'pay'</p> <p>This is similar to the engineering employers' federation and other trade bodies when they are limited to agreeing a base national award which individuals employers then add local deals to and administering the training body levy etc. Not aware of a national regional and then local model, where the power to change is at local level.</p> <p>Do not see how local basis can work other than by individual service. This would require experience and expertise that does not currently exist.</p>

19	The National Joint Council should consider operating regionally to reflect the requirements of the different fire authorities whilst retaining a national umbrella with respect to basic pay.	<p>NJC issue</p> <p>Services within a region are not aligned in negotiation terms. Difficult to envisage how the regional process would work.</p>
20	Remove Technical Advisory Panels and Resolution Advisory Panels (ACAS) and replace with a direct to ACAS approach. Fire Authorities are undertaking a significant amount of local negotiation as they agree positions outwith the Grey Book locally and this will not significantly increase workload of cost – in fact the Knight review suggested that local negotiations save money.	<p>NJC issue</p> <p>LFRS has not used RAP or TAP, a communication exercise of benefits and difficulties would be of value to ensure a decision is made on an informed basis.</p> <p>If removed there will be a need to ensure expertise and experience is available.</p> <p>The principles of negotiation and consultation need to be adhered to. Not just the “ this is it” approach</p> <p>Local negotiations if done well would provide better outcomes</p>
21	Government should bring forward appropriate legislation to remove the protection afforded under the Act to unions when their collective strike action, or action short of strike, impedes the fire service from making an emergency response. The right to strike being retained for nonemergency activities.	<p>Government issue – They have intimated they will not adopt this recommendation.</p>

<p>22</p>	<p>The government should recognise the increasing view that the current right to withdraw labour (take strike action) is incompatible with the expectations that public has of an emergency service. Government should instigate consultation with a view to agreeing the with employees impacted a no strike agreement in emergency situations, the right to strike being retained for non-emergency activities.</p>	<p>Government issue – see 21</p>
<p>23</p>	<p>The chair of the NJC should instigate an independent review of the structure and representative make-up of the NJC to enable it to perform effective at both a local and national level – noting that a number of contributors, from both the employers and the representatives, felt that they were excluded from the council.</p>	<p>NJC issue Unless everybody has a seat at the table which would be unwieldy difficult to see this as a practical suggestion.</p>
<p>24</p>	<p><u>Retained Duty System</u></p> <p>Fire and rescue authorities should adopt duty systems and staffing which align firefighter availability to the planned work local (e.g. community safety) whilst providing response cover appropriate to the IRMP should be encouraged.</p>	<p>We have good evidence of this and the right split between 2-2-4, DC, DCP and RDS. This can be seen by operational activity and hub disposition of CFS.</p>

25	Fire and rescue authorities should be required to prove an annual statement on the use of retained firefighters. Any decision not to use or to cease to use retained firefighters should be communicated in this statement and underpinned with operational evidence provided by the FRS.	<p>Although on the face of it a simple issue with no difficulty, it depends what is required.</p> <p>My personal view, this might be unhelpful. Duty systems are selected as an element of an IRMP process and any change to duty systems that generate a material change in management of community risk would be subject to formal public consultation.</p>
26	As part of the annual statement fire and rescue services should be required to provide an annual commentary of the number and use of retained firefighters. In particular to report on the level of mixed crewing or co-working with wholetime personnel.	<p>It is not an issue to LFRS. RDS now cover on WT overtime. Plenty of dual contracts. Recording will be via Gartan.</p>
27	Legislation should be brought forward to provide employment protection to firefighters employed on the retained duty system. This legislation is already in place for other groups (military reservists, magistrates and so on).	<p>It is thought this is a Government issue. The situation is not explained, staff already have protection with us. This would appear to be giving RDS a protection on their main employer in terms of release, on that basis would support. But would not encourage employer involvement and would be seen as a burden which might hamper co-operation.</p>
28	A national awareness programme for retained duty system personnel should be produced	<p>A government responsibility</p> <p>Agreed – however it should complement local recruitment not direct it. The military whilst a different beast have a very slick national awareness programme re: reservists something that could be developed for FRSs.</p>
29	Trial and evaluate, in a limited number of fire and rescue services, the use of an annual bounty payment for employers of retained firefighters.	<p>Not sure of the benefit of this proposal for main employers, will cause issues with self-employed RDS would not want to be in the trial.</p>

<u>Management of the Fire & Rescue Service</u>		
30	<p>Fire authorities should keep the number and level of commitment of fire authority elected members under review. The right number may differ by authority but should be large enough to allow scrutiny without becoming burdensome on operational delivery.</p>	<p>Members issue.</p>
31	<p>Recruitment and selection academic standards should be immediately raised.</p>	<p>Agreed, we have raised the standard across the board but issues arise. The reality is we have adjusted recruitment and selection standards to reflect the broader role that firefighters are/will be expected to fulfil. Our standards reflect our significant RDS element. This is not graduate level entry.</p>
32	<p>Fire and rescue services should create critical mass by collaborating in recruitment including lateral recruitment into 'fast track' management programmes.</p>	<p>This recommendation has both opportunities and problems. We do not want to end up possibly having to pool oversupply from other authorities when we need new fresh talent and to address our ageing profile. Cannot see a problem with collaboration on initial recruitment or on opening up opportunities for external appointments, but not sure that the "fast track" lateral movement works.</p>
33	<p>Fire and rescue services should explore a collaborative approach to the creation of succession plans and senior leader programmes with more cross authority developmental moves.</p>	<p>Agreed. In principle fine the detail could be awkward – a number of these recommendations are leading to regional fire services combinations, has this now been overtaken by events? Cross sector development is also important – particularly within the context of 'duty to collaborate' legislation being brought forward.</p>
34	<p>Where collaboration could lead to more formal mergers, Government should find transformational funding to support the creation of larger fire and rescue services that offer critical mass in areas of technology introduction, recruitment, succession and development.</p>	<p>Government issue Debate has moved on from when this was written.</p>

35	Fire and rescue service should maintain an up-to-date strategic workforce plan.	<p>LFRS can provide evidence in this respect.</p> <p>A number of strands are coming together (development, recruitment to replace ageing workforce, increase in educational ability, fast track pools of talent, wastage and retirement profile).</p>
36	Fire and rescue services that cannot offer promotional opportunities away from the original place of work/watch then preparatory management training should be available as part of the strategic workforce development plan.	<p>We are big enough to offer management development opportunities together with the pre opportunity parts but if this is suggesting to the smaller services that they create posts additional to the establishment, then this is a non-starter. Assumes each authority has the same standard and aspiration which is not the case.</p>
37	The expectation that all firefighters attain the same, maximum, level of competency should be removed. The wider and increasing range of role and activities undertaken by firefighters calls for a more sophisticated alignment of capability with the activity required in support of the local IRMP than can be provided by the view that 'a firefighter is a firefighter'.	<p>This proposal needs to be properly researched and articulated so that the basic requirements of the role are understood and a clear view of what the role will look like will emerge. But if we are talking RDS v WT then this is fair comment and aligns to the work being done in TOR re training time and Learn Pro etc.</p> <p>Firefighters are expected to maintain a generic minimum standard with specialisms added for some firefighters in accordance with the risk profile of the area in which they work.</p> <p>I think this needs to be considered in light of the other points he makes in respect of local determination and regional NJC etc. We have addressed this in our view of 'a firefighter is a firefighter' in that we expect all to be able to deal with incidents but by virtue of the time available a wholetime individual would be able to be trained in additional equipment . This however infers different levels of pay determined by skill attainment</p>
38	Training and pay should reflect a 'safe to ride' measure – basic core skills and core pay followed by competency based increments as required (which in the event of losing that competency means that the firefighter retains their job albeit without that competency).	<p>Grey Book issue</p> <p>As above. Basic firefighter with assessments equating to more pay would seem to be the suggestion of the way forward.</p> <p>I see potential value in this dependant on pay rates and effects on budgets– my view is all basic units then say 3 of 4 elements (competent) then 2 from x additional units equals current competent plus CPD. Then an opportunity to increase slightly with a ceiling but clearly needs developing. Service would choose the elements. This would enable progression with NHS/driving/care etc</p>

39	To create and maintain (in the face of decreasing numbers) a cadre of managers capable of becoming future fire and rescue service leaders, a standardised industry wide approach to leadership development should be adopted.	Cannot disagree in principle but would evidence ELP and the differing standards that delivers – needs a very robust selection and assessment process
40	Fire and rescue services not using the ELP should reconsider doing so.	Any product would require quality assurance. Need to be careful that Fire does not get too prescriptive over how leadership development should be handled. I think that there is an important local context which influences the approach to developing effective leaders.
41	A lateral, industry wide, recruitment scheme should be created. This will fast track managers through the experiential requirements into senior roles.	National issue I would see more value in a sector wide graduate scheme proposal. Individuals could then be given operational learning as they progress having been grounded in the sector. How will these managers be validated as competent at incidents to direct others, so unless these fast track managers go straight to senior command such as Gold – they will be exposed with little operational experience.
42	The Gold Book (conditions of service for principal officers) should be removed along with that for Brigade Managers. With pay and conditions of service agreed locally subject to the introduction of a more sophisticated job evaluation programme that better reflects job size, role complexity and other duties in a way which allows inter authority comparison.	I do not see the gold book as being a barrier anywhere. (I am sure the APFO FBU would say the same also with some validity). An outcome from the review was always going to be a system of comparison and I would have bet on an evaluation scheme. The difficulty as I see it is that no single fire structure exists so each fire authority employs a Chief, who is unique to that authority. Would say Lancashire agree that the roles in Kent and Essex are the same or that a Met is more risky/complex or that a county chief is more challenging or has a wider remit. Comparators come from other services and the inter authority comparison has driven the pay agenda . The current arrangement of linking PO pay to the main group and performance appraisal is seen as robust. In the same way as the FBU in respect of the Grey Book, APFO would want to maintain national conditions of service for Brigade Managers. That said, APFO Council does accept that the existing Gold Book needs to be reviewed and revised.
43	All fire and rescue services and fire authorities should review the accessibility of their pay policy statements.	Not an issue and It is on the website

44	CFOA should consider increasing the term of office for the role of president from 1 year to 2 or 3 years – to provide increased stability of leadership.	Implemented prior to review outcome
45	Finally all participants in the fire industry should adopt the principal of: “Where change is common sense it should become common practice ”.	NA Agreed but word of caution, one person’s common sense is another’s madness

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LANCASHIRE COMBINED FIRE AUTHORITY

Meeting to be held on 20th February 2017

PAY POLICY STATEMENT FOR 2017/2018

Contact for further information:

Bob Warren, Director of People & Development – 01772 866804

Executive Summary

In accordance with the provisions of the Localism Act 2011 a pay policy statement for 2017/18 has been prepared.

The pay policy publishes data on senior salaries and the structure of the workforce and demonstrates the principles of transparency.

The pay policy statement sets out the Authority's policies for the financial year relating to:-

- The remuneration of its chief officers;
- The remuneration of its lowest paid employees;
- The relationship between the remuneration of its chief officers and that of other employees who are not chief officers.

The statement includes :-

- The level and elements of remuneration for each chief officer;
- Remuneration range for chief officers on recruitment;
- Methodology for increases and additions to remuneration for each chief officer;
- The use of performance-related pay for chief officers;
- The use of bonuses for chief officers;
- The approach to the payment of chief officers on their ceasing to hold office under, or be employed by, the authority, and
- The publication of and access to information relating to the remuneration of chief officers.

It also includes the Authority's policies for the financial year relating to other terms and conditions applying to its chief officers.

Recommendation

The Authority is asked to approve the Pay Policy Statement.

Information

The approval of a pay policy statement cannot be delegated by the Authority to a Panel. The Fire Authority's pay statement must be approved by the 31st March each year. It is recognised when Executive Board pay is raised it will be tightly scrutinised by elected members, staff within the Service and members of the public.

The Authority is asked to approve the Statement hereunder.

Lancashire Fire Authority Pay Policy Statement

Introduction

In accordance with the Localism Act 2011 (Chapter 8 Sections 38 to 43) Lancashire Fire Authority is required to produce a pay policy for each financial year.

Any decision under powers delegated to the Authority's Constitution with regard to remuneration to be taken in 2017/18 will be bound by and must comply with the 2017/18 Statement.

The Director of People & Development must be consulted prior to any decision impacting on remuneration where there is any question regarding compliance with the Statement.

In general terms the Fire Authority recognises terms and conditions negotiated nationally by the National Employers with the National Employees' bodies for 3 distinct staff groups. These are:

- National Joint Council for Brigade Managers (referred to in Lancashire Fire Authority as Principal Officers) of Local Authority Fire and Rescue Services (commonly referred to as 'Gold Book');
- National Joint Council for Local Government Services (commonly referred to as 'Green Book');
- National Joint Council for Local Authority Fire and Rescue Services (commonly referred to as 'Grey Book').

Under the definitions provided for within the Act, the officers included in this pay statement are the Chief Fire Officer (CFO), Deputy Chief Fire Officer (DCFO), Assistant Chief Fire Officer (ACFO), Director of Corporate Services (DoCS) and Director of People & Development (DoPD).

The Treasurer responsibilities are undertaken by the Director of Corporate Services.

The Monitoring Officer duties are undertaken by the Clerk to the Authority who is engaged on a contract for services basis.

The Fire Authority has delegated responsibility for any local terms and conditions, including remuneration for chief officers, to the Appointments Panel/Succession Planning Sub-Committee.

A chosen natural internal benchmark for Chief Officer pay is the percentage rise in firefighters pay. This is the standard for the majority of staff within the Service and has been deemed affordable and proportionate by the National Joint Council (NJC) for Local Authority Fire and Rescue Services. It has previously been agreed that the Chief Fire Officer's pay with the established linkages for other Executive Board members should rise by the same amount as firefighters when they receive their

annual award. The linkage was agreed to last for five years and is due for review in 2018.

Any pay rise will be subject to a satisfactory performance evaluation. This will be undertaken with the Chair of the Authority with regard to the Chief Fire Officer, who will in turn appraise his staff. These appraisals determine increases in basic salary; no bonus payments are made to Executive Board members.

Information relating to chief officers pay and benefits in kind is found in the Fire Authority's Statement of Accounts and on the Authority's website.

Objectives of the Policy

The Fire Authority creates and sustains a competent, motivated and well led workforce, to meet current and future organisational needs and to be an employer of choice with improved working practices, work life balance, personal development, health and well-being and fair pay. We are committed to striving to achieve fairness in pay and reward structures across all occupational groups taking into account all the employment relationships that exist.

Changes from national negotiations generally take place each year, in January (Gold Book), April (Green Book) and July (Grey Book). The Fire Authority's policy is to implement national agreements, amended as needed to meet local needs.

Pay increase in 2016/2017 were:

- 1% for staff covered by the "grey book" (wef 1 July 2016);
- A two year settlement (headline 1% in each year wef 1 April 2016 & 1 April 2017) for 'green' book posts
- 1% for Principal Officers (wef 1 July 2016), in accordance with the agreed linkage to "grey book" staff and satisfactory performance.

The next anniversary dates for "grey book" and Principal Officers pay is anticipated to be 1 July 2017, whilst the green book pay-award effective date will be April 2017.

In addition to pay the national agreements cover other terms and conditions such as annual leave and allowances for use of private vehicles on Authority business. The Authority pays car allowances in accordance with these national scales. Currently no local variances apply.

There are 4 pension schemes in existence; the Firefighters' Pension Scheme (which became closed to new entrants in 2006), the New Firefighters' Pension Scheme (which became closed to new entrants on establishment of the 2015 scheme), the Firefighters' 2015 Pension scheme and the Local Government Pension Scheme.

All employees may join a pension scheme which is relevant to their occupational group. The operative schemes are statutory schemes with contributions from employers and the employees.

The Local Government Pension Scheme provides for flexible retirement for which the Fire Authority has approved a Policy statement.

The Firefighters' Pension Schemes allow for re-engagement after retirement. In the unlikely event this is considered, any utilisation of this option is subject to approval by the Authority based on a business case and demonstrated need and will involve abatement.

There are 3 pay grades for Grey Book staff (trainee, in development and competent), a spinal column system for Green Book staff where the policy is to start any appointee on the lowest point of the pay grade, save for where an applicant brings specific skills or experience to a post. In respect of Gold Book staff, they are appointed within a range and progress by incremental movement subject to performance until the maximum of the range is reached.

The "green book" grading is determined and underpinned by the Local Government Job Evaluation Scheme. The salaries utilised are above the 'living wage'..

A lease car scheme is available to the Chief Fire Officer, Deputy Chief Fire Officer and Assistant Chief Fire Officer and those Grey Book Managers who are conditioned to the flexible duty system for operational cover.

Delegated powers for the payment of honoraria lie with the Chief Fire Officer.

Individual Chief Officers

Changes to chief officer salaries are approved by the Fire Authority.

The chief officers are conditioned to the Gold Book terms and conditions of employment.

A facility exists for the chief officers (either singularly or collectively) to present a case to the Authority (via the Chairman) for a salary increase based on evidence, the overall performance of Lancashire Fire & Rescue Service and an annual appraisal.

The relationship between the salaries of the Chief Fire Officer and the other chief officers is as follows: DCFO 85%, ACFO 80%, DoCS and DoPD 64%.

Lancashire Fire Authority does not operate a bonus scheme or performance related pay for chief officers.

Chief Officers may claim reimbursement for expenses incurred in the course of carrying out their duties, which includes the cost of membership of the Chief Fire Officers Association.

Chief Fire Officer (CFO) - £156,090

The post holder is a member of the 1992 Firefighters Pension Scheme and has reached the maximum of his range.

The current remuneration for this post on recruitment is between £139,091 and £156,090 pa.

Under the existing provisions agreed by the Fire Authority, the Chief Fire Officer has an annual allowance of £7,525 towards the provision of a lease car to enable the duties of the post to be performed.

The provisions for redundancy are the statutory payments for redundancy.

Deputy Chief Fire Officer (DCFO) – £132,677

The post holder is a member of the 2015 Firefighters' Pension Scheme and has reached the maximum of his range.

The current remuneration for this post on recruitment is between £117,135 - £132,677 pa.

Under the existing provisions agreed by the Fire Authority, the DCFO has an annual allowance of £6,400 towards the provision of a lease car to enable the duties of the post to be performed.

The provisions for redundancy are the statutory payments for redundancy.

Assistant Chief Fire Officer (ACFO) - £124,872

The post holder is a member of the 2015 Firefighters' Pension Scheme and has reached the maximum of his range.

The current remuneration for this post on recruitment is between £110,171 and £124,872.

Under the existing provisions agreed by the Fire Authority, the ACFO has an annual allowance of £6,020 towards the provision of a lease car to enable the duties of the post to be performed.

The provisions for redundancy are the statutory payments for redundancy.

Director of Corporate Services (DoCS) - £99,898

The post holder is a member of the Local Government Pension Scheme and has reached the maximum of his salary range.

The current remuneration for this post on recruitment is between £86,400 and £99,898.

There is no provision to utilise the car leasing scheme nor is any car allowance paid.

The post holder is entitled to discretionary entitlements in relation to redundancy which include average weekly pay with a multiplier of 2.2 applied and in exceptional cases augmentation of pensionable service to the maximum of 3 years. These provisions apply to all staff eligible to join the Local Government Pension Scheme.

Director of People & Development (DoPD) - £99,898

The post holder is a member of the Local Government Pension Scheme and has reached the maximum of his salary range.

The current remuneration for this post on recruitment is between £86,400 and £99,898.

There is no provision to utilise the car leasing scheme nor is any car allowance paid.

The post holder is entitled to discretionary entitlements in relation to redundancy which include average weekly pay with a multiplier of 2.2 applied and in exceptional cases augmentation of pensionable service to the maximum of 3 years. These provisions apply to all staff eligible to join the Local Government Pension Scheme.

The Clerk to the Authority

The monitoring officer activity is undertaken under a contract for services, the cost being £15,000 pa.

Pay Floor

The definition of the 'lowest paid employee' is that postholder receiving the lowest (FTE) annual salary (exclusive of Employer pension contributions).

The pay floor level is our Green Book Grade 1 posts (Cooks, Receptionists and Gardener/handypersons) who are on a scale of £13,715 to £15,207 pa. £13,715 equates to £7.26 per hour. The minimum a current employee is receiving is £15,207.

The Chief Fire Officer's earnings ratio is 1: 11.16 using the minima of pay grade 1.

The government statement is a recommendation that this ratio should not exceed 1:25.

As a further comparison, the ratio between a competent firefighter with CPD and the maximum salary for the Chief Fire Officer is 1: 4.98.

Financial Implications

Increased costs will be restricted to the affordable limits as set by the National Joint Council for grey book staff.

Sustainability or Environmental Impact

Nil.

Equality and Diversity Implications

This supports a common transparent approach by linking Executive pay rises to that of firefighters.

Human Resource Implications

Future appointments to the Authority's chief officer positions have to be made in compliance with the pay policy statement, which potentially reduces flexibility. Although the document has been produced in line with the requirements of the Act and accompanying guidance, the Authority's employment obligations are not superseded by the Act's requirements and have to be considered. A body of opinion exists that the Act's requirements breach an individuals rights. No case law has been determined in this respect.

Business Risk Implications

If an appropriate pay statement is not approved for 2017/18 and subsequently reviewed then the Authority will be in breach of the Localism Act and might subject the Authority to negative comment.

Conversely complying with the requirements could also engender negative publicity.

Sustainable linkage provides a clear and equitable framework for the future.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact Bob Warren
Reason for inclusion in Part II, if appropriate:		

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LANCASHIRE COMBINED FIRE AUTHORITY

Meeting to be held on 20 February 2017

'STRENGTHENING AND IMPROVING OUR RETAINED SERVICE' RETAINED SUPPORT OFFICERS

Contact for further information:

Assistant Chief Fire Officer David Russel - Tel No 01772 866801

Executive Summary

In April 2016 a programme of work was initiated aimed at **Strengthening and Improving our Retained Service**. The focus was to develop a programme which would deliver tangible improvements and further build on what is already an excellent retained service in Lancashire.

Following extensive engagement with Retained Duty System (RDS) staff, six Task and Finish Groups were established:

1. Introduce a new RDS Support Officer Role;
2. Appliance Availability;
3. Peer Support;
4. Technology;
5. Think RDS;
6. Communications.

The purpose of the paper is to provide an overview of the work which one of the Task and Finish Groups has recently completed re: introduction of a new Retained Support Officer (RSO) role. The group identified key areas upon which the role could focus that would reduce the modern day to day challenges associated with running an effective and sustainable RDS Unit and by doing so improving: recruitment, retention, appliance availability, training, gathering of operational risk information, liaison with administrative support and staff engagement.

The outcome is the introduction of 7 x RSOs posts into the Service.

Recommendation

The Authority is asked to note the report.

Background

In April 2016 a programme of work was initiated aimed at 'Strengthening and Improving our Retained Service'. The focus was to develop a programme which would deliver tangible improvements and further build on what is already an excellent retained service in Lancashire.

From the outset the intention was never to develop a 'one-off' programme of work, moreover it was about delivering a step-change in approach, whereby undertaking work to *strengthen and improve our retained service* becomes a continuum i.e. set a

programme of work for the year ahead (commensurate with capacity and capability)
– deliver it – re-group and go again the following year.

Following extensive engagement with Retained Duty System (RDS) staff, six Task and Finish Groups were established:

1. Introduce a new RDS Support Officer Role;
2. Appliance Availability;
3. Peer Support;
4. Technology;
5. Think RDS;
6. Communications.

Each Task and Finish Group was assigned clear terms of reference and a set of deliverables. Collectively, across the six groups there were a total of 26 actions, of which 20 will be completed by 31 March 2017, with 6 being carried forward into a new programme for 2017/18. Engagement with RDS staff is already underway, to develop a year 2 programme, aimed at Strengthening and Improving our Retained Service.

Improvement does not always mean financial investment. Indeed, a great deal has been achieved this year by the Task and Finish Groups, through simply working and thinking differently, in terms of how the Service plans and delivers its retained Service and the necessary infrastructure that goes with it. Equally, where improvement requires investment, it was agreed that a business case would need to be developed, and subject to Service approval funding would be drawn from the additional £600K which the CFA approved as part of the budget setting process in 2016/17 in support of RDS.

The purpose of the paper is to provide an overview of the work which one of the Task and Finish Groups has recently completed re: introduction of a new RDS Support Officer role.

In terms of costs, the paper is also intended to provide Members with visibility and assurance regarding how the Service has utilised the additional £600K investment which the CFA has previously approved. In broad terms this has been split between investment in the RDS Salary Review (led by the Director of Corporate Services) and the creation of 7 new RSO roles. In the case of the latter, the establishment of modern day RSO posts arguably presents the Service with the single biggest opportunity to deliver year on year improvement and to create a long lasting legacy.

Retained Support Officer Role

The Task and Finish Group examined the existing role of the RDS Peripatetic Crew Managers and how the roles could be refined significantly to better support the RDS service of the future.

There are currently 4 temporary Peripatetic CM roles – one in Northern, Southern, Western and one covering both Eastern and Pennine Areas. Historically the Peripatetic CM has concentrated on maintaining appliance availability by locating at stations that need a rider/driver/Officer-in-Charge to repair a breach. The group concluded that the current approach does not reflect the emerging broader demands

that the role *could* deliver to create longer term more sustainable solutions. In short a re-modelled role will deliver significant value over and above the existing arrangements.

The group identified key areas upon which the role would focus that would reduce the modern day to day challenges associated with running an effective and sustainable RDS Unit and by doing so improving:

- Recruitment and Retention;
- Appliance Availability;
- Operational training;
- Operational risk information;
- Liaison with administrative support;
- Project delivery – e.g. following attendance at the RDS Recruiting and Improvement Group (RIG);
- Staff engagement.

A number of options were explored regarding the optimum number of RSOs, and therefore the size of the team and deployment. The number and disposition of RSOs and managerial arrangements is directly linked to the number of RDS Units and their geographic location. Collectively these factors dictate job size, travelling time; evening commitment and thus how effective the individual in role can ultimately be on a sustainable basis. An additional factor is that not all RDS stations stand alone, and although some are embedded in Wholetime (WT) stations depending on the nature of that WT duty system this does not necessarily equate to significant WT/RDS contact time and shared working (although good local working practices should mitigate this).

It can be seen from the table below that a simple disposition based on Areas would lead to significant disparity in job size and travelling commitments with consequent impact on effectiveness and sustainability.

Table 1: Disposition of RDS Units by Area

Western	Southern	Northern	Pennine	Eastern
St Annes	Tarleton	Lancaster	Padiham	Great Harwood
Lytham	Skelmersdale	Hornby	Nelson	Hyndburn
Wesham	Ormskirk	Silverdale	Colne	Darwen
	Chorley	Carnforth	Rawtenstall	Longridge
	Bamber Bridge	Morecambe	Earby	Clitheroe
		Bolton le Sands	Barnoldswick	
		Fleetwood	Bacup	
		Garstang	Haslingden	
		Preesall		
3	5	9	8	5

*Bold text denotes RDS pumps co-located with WT pumps.

Following extensive examination regarding the optimum number of RSOs and their deployment the model shown overleaf was agreed by the Service’s Executive Board in December 2016.

The table below shows a total of 7 RSOs two of which will be allocated in Northern Area and two in Pennine Area and the four other Areas being allocated one RSO. This approach provides the optimum balance in terms of station responsibilities and travelling time for the RSOs as evenly as possible.

Table 2: Retained Support Officer Allocation by Area

Western x1 RSO	Southern x1 RSO	Northern x1 RSO	Northern x1 RSO	Pennine x1 RSO	Pennine x1 RSO	Eastern x1 RSO
St Annes	Tarleton	Hornby	Lancaster	Rawtenstall	Earby	Gt Harwood
Lytham	Skelmersdale	Silverdale	Fleetwood	Bacup	Barnoldswick	Hyndburn
Wesham	Ormskirk	Carnforth	Garstang	Haslingden	Nelson	Darwen
	Chorley	Morecambe	Preesall	Padiham	Colne	Longridge
	Bamber Bridge	Bolton le Sands				Clitheroe
3	5	5	4	4	4	5

In year one (April 17 to March 18) a temporary Team Leader role has been established at Station Manager level. The Manager will be tasked with leading and developing the team in its embryonic stages. During the course of 2017/18 a further review will be undertaken regarding the longer term managerial arrangements.

Business Risk

Provision of a RDS service in Lancashire is hugely important particularly given the context that 32 of the Service's 58 fire engines are retained. The provision of an infrastructure which provides support is considered to be essential. The introduction of the RSOs will compliment and add further value in how Lancashire FRS plans for and delivers its Retained Service going forward.

Environmental Impact

None.

Equality and Diversity Implications

None.

HR Implications

The process of advertising and filling the 7 x RSO is yet to start however it is anticipated that the posts will have been filled and a team in place by 1 April 2017. The only post filled to date is the temporary Team Manager post. The individual occupying this post has extensive wholetime and retained service which is considered important however this is a one year temporary role subject to review.

Financial Implications

The 7 x Retained Support Officer posts (Crew Manager) and temporary Station Manager post (Team Leader) cost circa £0.3m which are reflected in the revenue budget 2017/18.

Local Government (Access to Information) Act 1985
List of Background Papers

Paper	Date	Contact
Report to CFA	20 th February 2017	ACFO Russel
Reason for inclusion in Part II, if appropriate:		

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LANCASHIRE COMBINED FIRE AUTHORITY

Meeting to be held on 20 February 2017

TECHNICAL RESCUE (MULTI-FUNCTION) JACKETS

Contact for further information:

DCFO Justin Johnston - Telephone 01772 862545

Executive Summary

Over the past two years the Service has been researching and evaluating a range of options for improving operational efficiency and enhancing firefighter health and safety as part of its future fighting strategy.

The concept of Technical Rescue Jackets is to provide firefighters with an alternative level of PPE (Personal Protective Equipment) which would provide an increased level of personal safety and improve the performance of firefighters in the varied tasks undertaken during modern operational activities.

Recommendation

The Authority is requested to note the contents of this report and support the introduction of Technical Rescue (Multi-Function) Jackets to enhance the current PPE provision and safety of staff.

Information

The first UK specifications for fire fighter clothing were only introduced in the early 1980s. During the early years of manmade fire retardant fibres such as Nomex® firefighter tunics, leg protection continued to be met by the use of PVC coated fabric trousers, known as PVC wetlegs, which were chosen for their superior water resistance. However, their major weakness, their flammability, was seriously exposed in the major London Underground disaster in 1987 when many people and firefighters died in a major fire at the capital's Kings Cross station in which the PVC wetlegs were found to have contributed to the death toll amongst firefighters. The first Home Office specification for firefighter PPE, the A26, was developed and became the first national standard in 1988. The first European Standard, EN469:1995, was developed from a working group set up in 1992 with the BSI representing the UK. Development of European firefighter PPE standards in the intervening 20 years led to the latest EN469 standard published later in 2014.

The development of new fibres and fabrics by PBI, DuPont and Kermel, and the use of new fibres from these manufacturers for the development of new specialised fabrics enabled the design of firefighter clothing which not only provides enhanced personal protection but has led to the introduction of new generations of more ergonomically efficient clothing.

The use of physiological assessments through wearer trials were used to determine the impact of firefighter PPE on both the ease of movement and the stress levels of internally generated heat during active deployment. This was the first time that the overall health and safety of firefighters had been researched by looking closely at internal factors. The results clearly showed that the weight and construction of firefighter clothing were significant factors in the physiological responses of firefighters. This led to the introduction of lighter weight and layered PPE constructions, which offers enhanced levels of wearer comfort and mobility and which has become the platform on which the latest technical rescue (multi-function) protective garments have been designed and produced.

Given the increasingly technical nature of firefighting and rescue activities that protective clothing for firefighters are required to provide protection under, the characteristics of the garments need to include flame and water protection, breathability, pathogen and hydrocarbon resistance, tear, puncture and abrasion resistance coupled with the ability to deliver good wear resistance and to withstand regular maintenance. Minimising the lifetime cost of ownership of high performance technical clothing relies considerably on its longevity which, in turn, requires build quality to allow frequent washing and decontamination (where required) without impairing the integrity and performance of the garments involved.

Agility and comfort do have some aspects in common but, as far as the wearer is concerned, are different features. Agility focuses on the desirability of having firefighters capable of being able to move easily and swiftly away from danger when working on the incident-ground, which requires clothing to be flexible and light enough to effectively carry out rapid escapes, where necessary. Comfort, on the other hand, is achieved by providing tunics that fit well, are shaped effectively to body contours, equally well for males and females, and the wearing of which provides the minimum of fatigue when worn for long periods.

The Technical Rescue Jacket is designed to be used in situations where full structural PPE isn't necessary and it is advantageous to have a greater freedom of movement afforded by a lighter garment. These activities include road traffic collision extrications, technical rescues such as assisting other agencies with casualty rescues, moorland firefighting, external firefighting such as bin fires, skip fires, car fires etc.

During the process of researching and trialling the different Technical Rescue Jackets available on the market, it has also been identified that there is the potential for them to be used for external firefighting activities. It has also been found that the introduction of a Technical Rescue Jacket could negate the need to wear the existing conspicuity coats currently in service due to the jackets meeting the relevant European standard.

Provision of Technical Rescue Jackets

As mentioned previously the concept of the Technical rescue (Multi-Function) jacket has been around for some time. GMFRS purchased a layered approach version approximately 18 Months ago. This has proved problematic with wearers particularly when utilising the garment for structural Firefighting suffering from retained heat issues due to the extra layers. They have also had issues with the Multi-Function inner layer (Orange) jacket due to the textiles used in manufacture.

Therefore LFRS, Cumbria FRS and Cheshire FRS have looked at an alternative approach of having separate Multi-function and structural Jackets.

Advantages

1. The technical Rescue (Multi-function) jackets are also less bulky and therefore provide greater comfort and dexterity for rescue type incidents, providing greater freedom of movement due to the garments ergonomic performance and reducing the effects of heat stress during warm weather and whilst worn under strenuous working conditions, such as at road traffic collisions when operating heavy rescue cutting equipment. The specification written for the jackets is for them to meet the relevant Hi-Viz standard; this enables the jackets to be worn on Highways without the need for the current conspicuity coats which are issued to each appliance. The current conspicuity coats are issued per appliance and not per individual so there are currently fit issues and maintaining the Hi-Viz standard, as when the coats get to a certain degree of discolouration they no longer meet the standard. The Jackets would be issued on the pool system so this would be part of the cleaning and maintenance contract ensuring LFRS meet our obligations under the Health and Safety At Work Act and that LFRS staff are safe when operating on the roads.
2. The lighter weight garment offers heat protection making it suitable for Moorland firefighting. Moorland Firefighting has historically caused issues for Firefighters becoming too hot wearing structural PPE. This is due to a number of factors, being the weather (usually warm weather related fires), the terrain to get the fire (generally involves a long trek over undulating ground) and the physical exertion of the Firefighting and close proximity to the fire involved with certain extinguishment techniques. This has led to Firefighters removing their structural tunics to prevent themselves overheating. However this practice then causes a serious health and safety issue, due to Moorland fires having the potential to spread faster than a person can run, thus putting Firefighters in a dangerous position of not having the correct personal protection. The Lighter Jacket would enable Firefighters to undertake the Moorland Firefighting duties much more safely with full personal protection.
3. The above would also have a knock on effect of staff being able to undertake Moorland firefighting duties not only safely with full PPE, but will also be able to undertake these duties for longer periods without the need to be relieved by

alternative staff due to heat stress. Therefore less staff would be required to be deployed to these incidents, reducing mobilising costs and also enabling efficient emergency response cover to be maintained for other incidents.

Feedback from wearer trials

Trials of the jackets have taken place at Fulwood, Cumbria FRS and Cheshire FRS and feedback has been very positive with crews particularly liking the freedom of movement and the reduced thermal stress afforded by a lighter jacket.

The only observation from the wearers during the trial was that due to the jacket not having a liner, during colder weather this could be an issue. This is alleviated by LFRS, Cumbria FRS and Cheshire FRS as all 3 services already issue a personal fleece jacket for staff to wear during cold weather that can be worn underneath the jacket. During the recent cold spell the crews taking part in the trial in LFRS attended a road traffic collision on the M6 with the temperature at minus 3 degrees. They stated that with the fleece underneath they were warm enough during the incident.

The technical rescue (multifunction) jacket has been trialled at Fulwood for over 6 months and during this time has been utilised for a number of incidents and has stood up extremely well to the challenge, the garments have only been laundered a few times and have retained their condition and as well as still meeting the relevant Hi Viz standard they still look aesthetically pleasing.

Collaboration

As mentioned the wearer trials have been conducted in 3 different Services in the North West with close contact being maintained between the three. All 3 Services are keen to move forward with the project and LFRS have been chosen as the lead organisation for a tender process. LFRS have written a specification for a jacket which would enable the jacket to be worn for most incidents apart from structural firefighting where the full protection of the current jacket would be required by firefighters.

The specification written improves on the current offerings of the manufacturers to offer greater heat protection for staff and also protection against blood borne pathogens for technical rescue work. This will improve the safety for the firefighters and would enable the technical rescue (Multi-Function) jacket to be the primary worn garment for non-structural incidents.

Financial Implications

The indicative cost would be in the region of £0.5m which will be met from the approved 2016/17 capital budget for future firefighting equipment.

Sustainability or Environmental Impact

The introduction of an additional garment for use in specific circumstances will increase the number of garments in circulation within the service however as the new garment would be utilised instead of the current garment for incidents other than structural incidents the impact on the environment caused by the laundering of these garments should not alter.

Equality and Diversity Implications

The specification produced ensures that the needs of all groups of individuals likely to use the Technical Rescue Jackets are taken into consideration. The design of the garments will provide improved ergonomics over current tunics issued and will be available in both Male and Female gender specific fit. The new jacket would alleviate the need for the current conspicuity coats which due to them not being personal issue do not meet the needs of all staff for sizing.

Human Resource Implications

N/A

Business Risk Implications

There is potential risk to the organisation of not taking the opportunity of issuing PPE that provides greater technological advancements, ergonomic gender specific and improves health and safety and effectiveness of the wearer. The possibility exists, although numerous measures will be put in place to prevent this occurring, for the lighter garment to be used inappropriately when structural PPE should be used. The two garments are completely different colours however so this can be easily identified.

Local Government (Access to Information) Act 1985

List of Background Papers

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

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LANCASHIRE COMBINED FIRE AUTHORITY

Meeting to be held on 20 February 2017

TREASURY MANAGEMENT STRATEGY 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 Treasury Management Strategy for 2017/18, which is in line with CIPFA's revised Code of Practice.

The Strategy is based on the capital programme as presented to the Authority elsewhere on the agenda, and the financial implications of this are reflected in the revenue budget, also presented elsewhere on this agenda.

Recommendation

The Authority is asked to:-

- Approve the revised Treasury Management Strategy, including the Prudential Indicators, as set out in the report.
- Agree the Minimum Revenue Provision (MRP) calculation as set out in the report.
- Agree the Treasury Management Policy Statement at Appendix 1.

Information

Treasury Management is defined as "The management of the Authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

In February 2012 the Combined Fire Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year.

In addition, the Department for Communities and Local Government (CLG) issued revised guidance on local authority investments in March 2010 that requires the Authority to approve an investment strategy before the start of each financial year. The strategy also has regard to other CIPFA treasury management publications such as risk management in 'Treasury Risk Toolkit for Local Authorities' (2012) and 'Using Financial Instruments to Manage Risk' (2013).

Statutory requirements

The Local Government Act 2003 (the Act) and supporting Regulations requires the Authority to "have regard to" the CIPFA Prudential Code and the CIPFA Treasury

Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Authority's capital investment plans are affordable, prudent and sustainable.

This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the CLG Guidance.

Treasury Management Strategy for 2017/18

This Strategy Statement has been prepared in accordance with the CIPFA Treasury Management Code of Practice (2011). Accordingly, the Lancashire Combined Fire Authority's Treasury Management Strategy will be approved by the full Authority, and there will also be a mid-year and a year-end outturn report presented to the Resources Committee. In addition there will be monitoring and review reports to Members in the event of any changes to Treasury Management policies or practices. The aim of these reporting arrangements is to ensure that those with ultimate responsibility for the treasury management function appreciate fully the implications of treasury management policies and activities, and that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting.

This Authority has adopted the following reporting arrangements in accordance with the requirements of the revised Code: -

Area of Responsibility	Committee/ Officer	Frequency
Treasury Management Policy Statement	Resources Committee/Authority	Revised Policy Statement adopted in February 2013
Treasury Management Strategy / Annual Investment Strategy / MRP policy – scrutiny and approval	Resources Committee/ Authority	Annually before the start of the year
Treasury Management Strategy / Annual Investment Strategy / MRP policy – mid year report, scrutiny of performance	Resources Committee	Mid year
Treasury Management Strategy / Annual Investment Strategy / MRP policy – updates or revisions at other times	Resources Committee	As required
Annual Treasury Management Outturn Report	Resources Committee/ Authority	Annually by 30 September after the end of the year
Treasury Management Monitoring Reports	Director of Corporate Services	Quarterly
Treasury Management Practices	Director of Corporate Services	Annually

The Treasury Management Strategy, covers the following aspects of the Treasury Management function:-

- Prudential Indicators which will provide a controlling framework for the capital expenditure and treasury management activities of the Authority;
- Current Long-term debt and investments;
- Prospects for interest rates;
- The Borrowing Strategy;
- The Investment Strategy;
- Policy on borrowing in advance of need.

Setting the Treasury Management Strategy for 2017/18

In setting the treasury management strategy the following factors need to be considered as they may have a strong influence over the strategy adopted:

- economic forecasts;
- the level of the approved Capital Programme which generates the borrowing requirement;
- the current structure of the investment and debt portfolio;
- prospects for interest rates and market liquidity.

Economic Context

The major external influence on the Authority's treasury management strategy for 2017/18 will be the UK's progress in negotiating a smooth exit from the European Union. Financial markets, wrong-footed by the referendum outcome, have since been weighed down by uncertainty over whether leaving the Union also means leaving the single market. In January The Prime Minister made a speech indicating that Brexit means an exit from the Single Market and the Customs Union however the government will seek a trade deal with the EU for the greatest possible access with full reciprocity. Negotiations are expected to start once the UK formally triggers exit in early 2017 and last for at least two years. Uncertainty over future economic prospects will therefore remain throughout 2017/18.

The fall and continuing weakness in sterling and the near doubling in the price of oil in 2016 have combined to drive inflation expectations higher. The Bank of England is forecasting that Consumer Price Inflation will breach its 2% target in 2017, the first time since late 2013. However the Bank is expected see this as a temporary impact of the falling currency. Therefore the inflation overshoots during 2017 are unlikely to result in an increase in interest rates so as to avoid derailing the economy.

Initial post-referendum economic data showed that the feared collapse in business and consumer confidence had not immediately led to lower GDP growth. However, the prospect of a leaving the single market has dented business confidence and resulted in a delay in new business investment and, unless counteracted by higher public spending or retail sales, will weaken economic growth in 2017/18.

Looking overseas, with the US economy and its labour market showing steady improvement, the market has priced in a high probability of the Federal Reserve increasing

interest rates. In December 2016 The Federal Open Market Committee (FOMC) of the US Federal Reserve increased the target range for official interest rates. The range was increased to between 0.5% and 0.75%, from 0.25% and 0.5%. The Eurozone meanwhile has continued to struggle with very low inflation and lack of momentum in growth, and the European Central Bank has left the door open for further quantitative easing.

The impact of political risk on financial markets remains significant over the next year. With challenges such as immigration, the rise of populist, anti-establishment parties and negative interest rates resulting in savers being paid nothing for their frugal efforts or even penalised for them, the French presidential and general elections (April – June 2017) and the German federal elections (August – October 2017) have the potential for upsets.

The impact of the economic and political position on interest rates is also uncertain. The Bank of England has highlighted that excessive levels of inflation will not be tolerated for sustained periods. Given this view and the current inflation outlook, further falls in the Bank Rate look less likely. However, should the economy enter recession then a reduction can't be ruled out. Regular forecasts of interest rates are provided by Arlingclose Ltd, treasury management advisers to Lancashire County Council and details of their forecasts are shown later in this report.

Credit outlook

Markets have expressed concern over the financial viability of a number of European banks recently. Sluggish economies and continuing fines for pre-crisis behaviour have weighed on bank profits, and any future slowdown will exacerbate concerns in this regard.

Legislative Context

Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the European Union, Switzerland and USA, while Australia and Canada are progressing with their own plans. The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Authority; returns from cash deposits however continue to fall.

Interest Rate Forecasts

The prevailing and forecast interest rate situation will be monitored to ensure that opportunities for debt restructuring are maximised. Regular forecasts of interest rates are provided by Arlingclose Ltd, treasury management advisers to Lancashire County Council. At this stage they do not see any increase in the base rate before December 2019.

The latest forecast provided by Arlingclose Ltd is shown in the table over the page:

	Bank Rate	3 Month LIBID	12 Month LIBID	5 Year Gilt Yield	10 Year Gilt Yield	20 Year Gilt Yield	50 Year Gilt Yield
Mar-17	0.25	0.25	0.50	0.50	0.95	1.50	1.40
Jun 17	0.25	0.25	0.50	0.45	0.90	1.45	1.35
Sept 17	0.25	0.30	0.50	0.45	0.90	1.45	1.35
Dec 17	0.25	0.30	0.50	0.45	0.90	1.45	1.35
Mar 18	0.25	0.30	0.50	0.50	0.95	1.50	1.40
June 18	0.25	0.30	0.50	0.50	0.95	1.50	1.40
Sept 18	0.25	0.30	0.60	0.50	0.95	1.50	1.40
Dec 18	0.25	0.30	0.70	0.55	1.00	1.55	1.45
Mar 19	0.25	0.30	0.85	0.60	1.05	1.60	1.50
June 19	0.25	0.30	0.90	0.65	1.10	1.65	1.55
Sept 19	0.25	0.30	0.90	0.70	1.15	1.70	1.60
Dec 19	0.25	0.30	0.90	0.75	1.20	1.75	1.65

In the above table 'bank rate' refers to the policy rate of the Bank of England. 'LIBID' is the London Interbank bid rate and can be used as a proxy for short term market interest rates. PWLB borrowing rates are based on 'Gilt Yield' and so this is a forecast of long term interest rates. The Authority can borrow at 80 basis points above the gilt yield, so for example a fixed interest rate to borrow PWLB money for 10 years would be 1.75%, 0.95% plus 0.80%.

This forecast has been based on the following underlying assumptions:-

- The medium term outlook for the UK economy is dominated by the negotiations to leave the EU;
- The global environment has significant uncertainty with repercussions for the financial markets. Financial markets appear to be expecting stronger global growth, but the potential rise in protectionism could dampen growth prospects;
- Recent data present a more positive picture for the post-Referendum UK economy than predicted due to continued strong household spending;
- Over the medium term, economic and political uncertainty will likely dampen investment intentions and tighten credit availability, prompting lower activity levels and potentially a rise in unemployment;
- The rise in inflation will continue and will act to slow real growth in household spending;
- Given the pressure on household spending and business investment the rise in inflation is unlikely to prompt monetary tightening by the Bank of England.

Current Treasury Portfolio Position

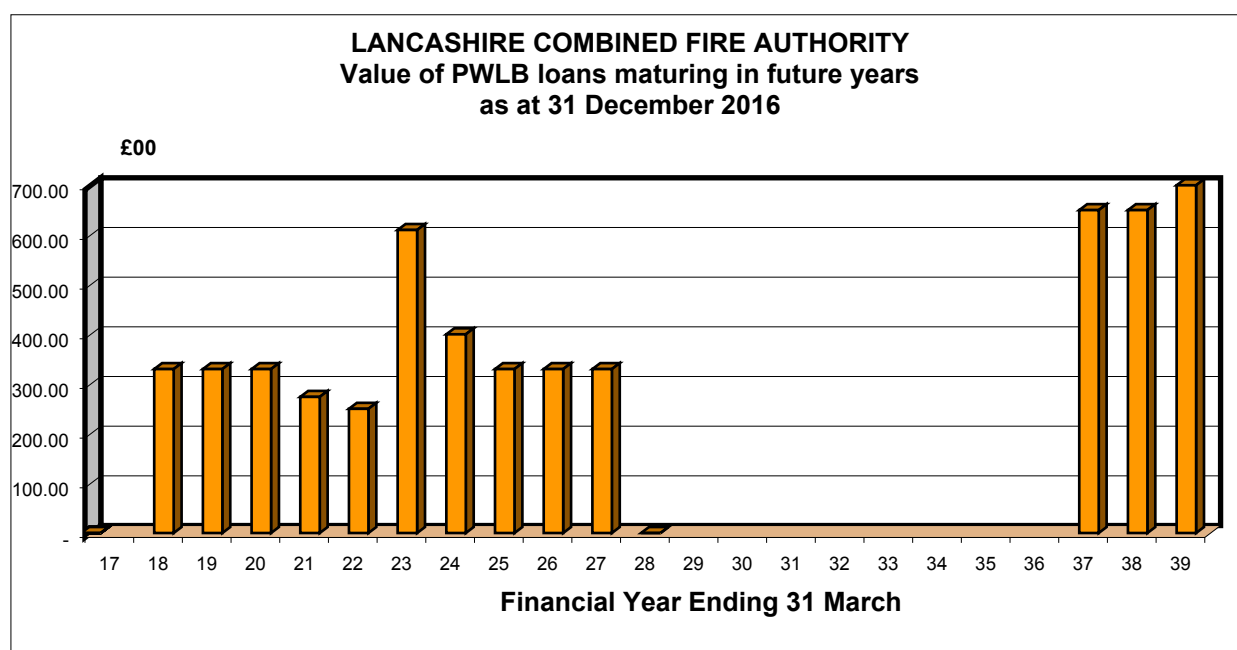
At the 31 December 2016 the debt outstanding was £5.514m with investments of £42.205m:-

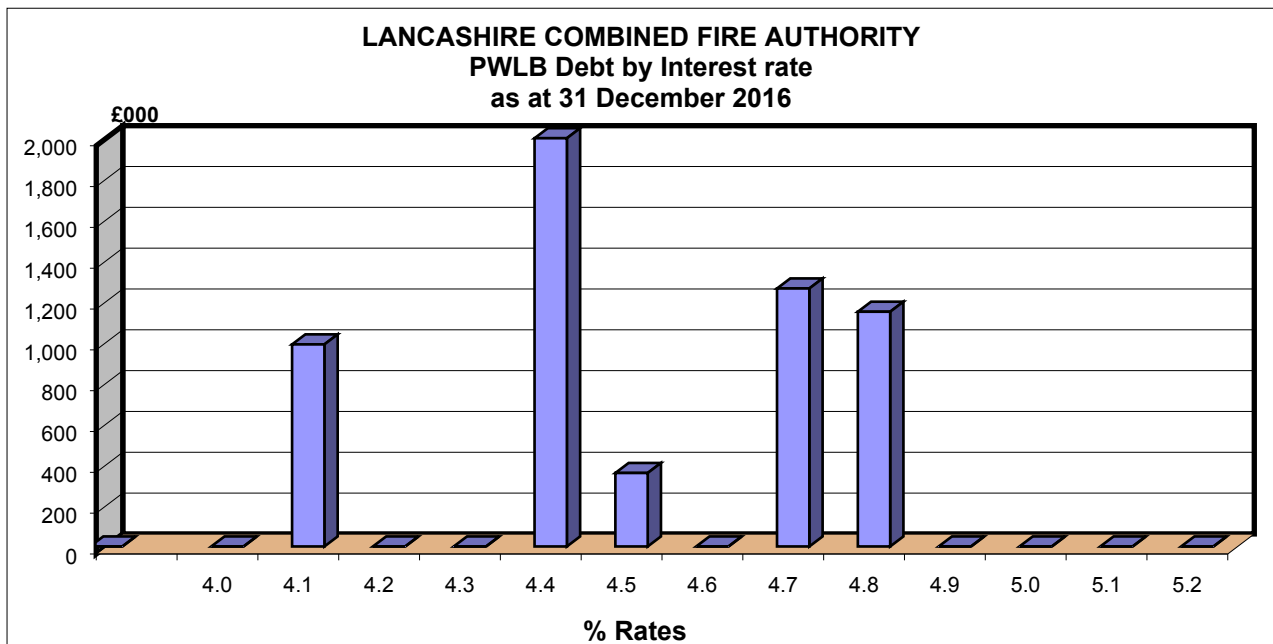
Debt	Principal £m	%
Fixed rate loans from the Public Works Loan Board	5.514	100%
Variable rate loans	-	-
	5.514	100%
Investments		
Variable rate investments with Lancashire County Council	32.205	75.31%
Fixed rate investments	10.000	24.69%
	42.205	100%

The level of investments represents the Authority's cumulative surplus on the General Fund, the balances on other cash-backed earmarked reserves and a cash-flow balance generated by a surplus of creditors over debtors and by grant receipts in advance of payments. There is a net investment figure of £36.7m.

Borrowing Requirement and Strategy

CIPFA's Prudential Code for Capital Finance in Local Authorities permits authorities to borrow for capital purposes. Although the Authority does not have plans for new borrowing it does currently hold £5.514m of loans as part of its strategy for funding previous years' capital programmes. The charts below show the current maturity profile and the interest rate profile of the Authority's borrowings.





The Authority’s underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). CIPFA’s Prudential Code for Capital Finance in Local Authorities recommends that the Authority’s total debt should be lower than its highest forecast CFR over the next three years. However, the Authority has adopted a policy of setting aside additional Minimum Revenue Provision (MRP) in order to generate the cash to repay loans either on maturity or as an early repayment. The effect of this policy is that the current level of loans outstanding exceed the CFR with the surplus cash forming part of the investment portfolio. This can be expressed as a negative borrowing requirement in year with the cash being available for an early repayment if it is seen advantageous (for further details see section on debt restructuring).

Borrowing Strategy

Although it is unlikely that borrowing will be required in 2017/18 it is still best practice to approve a borrowing strategy and a policy on borrowing in advance of need. In considering a borrowing strategy the Authority needs to make provision to borrow short term to cover unexpected cash flow shortages or to cover any change in the financing of its Capital Programme.

Therefore the approved sources of long-term and short-term borrowing are:

- Public Works Loan Board;
- UK local authorities;
- any institution approved for investments;
- any other bank or building society authorised by the Prudential Regulation Authority to operate in the UK;
- UK public and private sector pension funds.

In the past the Authority has raised all of its long-term borrowing from the Public Works Loan Board, but it continues to investigate other sources of finance, such as local authority loans, the Municipal Bond Agency set up recently by the Local Government Association and bank loans, that may be available at more favourable rates.

Policy on Borrowing in Advance of Need

In line with the existing policy the Authority will not borrow more than or in advance of need purely in order to profit from the investment of the extra sums borrowed. However advance borrowing may be taken if it is considered that current rates are more favourable than future rates and that this advantage outweighs the cost of carrying advance borrowing. Any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Authority can ensure the security of such funds and relationships.

In determining whether borrowing will be undertaken in advance of need the authority will:-

- Ensure that there is a clear link between the capital programme and the maturity profile of the existing debt portfolio which supports the need to take funding in advance of need.
- Ensure the on-going revenue liabilities created, and the implications for the future plans and budgets have been considered.
- Evaluate the economic and market factors that might influence the manner and timing of any decision to borrow.
- Consider the merits and demerits of alternative forms of funding.
- Consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.

Debt Restructuring

Although the Authority does not need to borrow for new capital expenditure it does have £5m of existing debt as a result of prior years' capital investment. As part of the Strategy adopted in 2014/15 additional MRP payments have been made which would enable loans to be repaid on maturity without the need to replace them or if advantageous to repay loans early. The Strategy developed was :

- Within the 5 year period £1.16m of debt will have matured and will be repaid at the appropriate time. This will leave a balance of £4.854m of debt at the end of 2018/19.
- Additional monies have been set aside in the form of additional MRP contributions in order to provide scope to pay off debt at that point in time.
- £5.0m has been invested for a fixed 5 year term, in order to attract a higher interest rate and offset some of the interest payable. At that point in time it is forecast that the premium/penalty payable for early redemption will have reduced. (The premium/penalty varies throughout the period of the loan dependent upon how long the loan has to maturity and how the interest rate on the loan compares to current market rates). Where the loan has a long term remaining and is at a high interest rate compared to market rates then the premium/penalty is high and vice versa.

Since that time no further debt has been taken and the maturing debt has been repaid. This leaves the current balance of loans outstanding to be £5.514m with the expected balance outstanding at 31 March 2019 to be £4.854m. The estimated cash available to pay debt as a result of the policy is:

	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
Borrowing Requirement B/Fwd	(5.682)	(5.456)	(5.184)	(4.854)
Repayment of maturing debt	0.250	0.330	0.330	0.330
Borrowing for capital programme	-	-	-	-
Less voluntary MRP	(0.024)	(0.058)	-	-
Total Borrowing Requirement	(5.456)	(5.184)	(4.854)	(4.524)

As part of the Treasury Management function the Director of Corporate Services, in combination with the County Council's treasury management team, reviews the policy put in place in 2014/15 and the opportunities to repay debt early.

A reworking of the debt restructuring exercise in February 2017 indicated 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. Once this is taken into consideration then it is estimated that the repayment of the loans would cost rather than save the Authority money. Clearly, there is no guarantee of future interest rates on investments but to break even then the following rates would be required:

Period to maturity	Loans outstanding	Average Interest rate to break even
	£m	%
Up to 4 years	1.264	0.34
4-10 years	2.250	1.09
Over 10 years	2.000	2.37

As can be seen, in order for it to be beneficial to pay off the loan, interest rates would need to continue at low rates compared with the historic rates. Whilst there is no guarantee, it appears unlikely that this will be the case and hence it is recommended that debt restructuring is not undertaken at the current time. The situation will be reviewed again as part of the mid-year update.

Investment Strategy

At 31st December 2016 the Authority held £32.2m invested funds, representing income received in advance of expenditure plus existing balances and reserves. In the past 12 months, the Authority's investment balance has ranged between £41.2m and £22.8m. The variation arises principally due to the timing of the receipt of government grants. It is anticipated that similar levels will be maintained in the forthcoming year.

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 receiving unsuitably low investment income.

Therefore in line with the guidance the Treasury Management Strategy is developed to ensure the Fire Authority will only use very high quality counterparties for investments.

The Authority may invest its surplus funds with any of the counterparties in the table below, subject to the cash and time limits shown.

Counterparty		Cash limit	Time limit †
Banks and other organisations and securities whose lowest published long-term credit rating from Fitch, Moody's and Standard & Poor's is:	AAA	£5m each	5 years*
	AA+		3 years*
	AA		2 years*
	AA-		2 years*
Call Accounts with banks and other organisations with minimum AA- credit rating		£10m	next day
UK Central Government (irrespective of credit rating)		unlimited	50 years**
UK Local Authorities (irrespective of credit rating)		unlimited	50 years**
Secured Bond Funds AA rating and WAL not more than 3 yrs		£5m each	n/a
Secured Bond Funds AAA rated and WAL not more than 5 yrs		£5m each	n/a

* but no longer than 2 years in fixed-term deposits and other illiquid instruments

** but no longer than 5 years in fixed-term deposits and other illiquid instruments

Allowable bond funds are defined by credit rating and weighted average life (WAL). Investing in senior secured bonds backed by collateral provides a protection against bail-in. Although the average life of the securities within the fund will be either 3 or 5 years, funds can be redeemed within 2 days of request but in general these should be seen as longer term investments. The fund targets returns of 3 month Libor + 40 basis points which is currently around 0.76% in total.

Regarding the risk of investing with another local authority, only a very few authorities have their own credit rating, but those that do are the same or one notch below the UK Government, reflecting the fact that they are quasi-Government institutions. On the whole credit ratings are seen as unnecessary by the sector because the statutory and prudential framework within which the authorities operate is amongst the strongest in the world. In addition any lender to a local authority has protection, under statute, by way of a first charge on the revenues of that authority. No local authority has ever defaulted to date and this also may be an indication of security.

Whilst the investment strategy has been amended to allow greater flexibility with investments, any decision as to whether to utilise this facility will be made based on an assessment of risk and reward undertaken jointly between the Director of Corporate Services and LCC Treasury Management Team, and consideration of this forms part of the on-going meetings that take place throughout the year.

The legislative context referred to earlier in the report effectively means that, because taxpayers will no longer bail-out failed banks, the required funds will be paid by equity investors and depositors. Local authorities deposits will be at risk and consequently although currently available within the policy it is unlikely that unsecured term deposits will be used at the present time. However lending to banks on a collateralised basis is something that is being considered for the future.

Currently all of the Authority's investments are with other local authorities.

The Authority currently has access to a call (instant access) account with a local authority, which pays bank rate, this is currently 0.25%. Each working day the balance on the Authority's current account is invested to ensure that the interest received on surplus balances is maximised.

In addition two long term loans have been placed with UK local authorities as outlined below:

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
31/7/14	31/7/17	£5,000,000	1.6%	£80,000	£80,000

Consideration is given fixing further investments if the maturity fits with estimated cash flows and the rate is considered to be attractive. This will continue to be reviewed although current rates payable by other local authorities are:

3 month investment	0.35%
6 month investment	0.40%
12 month investment	0.45%

The overall combined amount of interest earned on Fixed/Call balances as at 31st December 2016 was £0.285m on an average balance of £42.632m at an annualised rate of 0.74%. This compares favourably with the benchmark 7 day LIBID which averages 0.24% over the same period, and is 0.49% above the current bank rate.

Specified and Non-specified investments

The legislative and regulatory background to treasury management activities requires the Authority to set out its use of "specified" and "non-specified" investments.

Specified Investments: The CLG Guidance defines specified investments as those:-

- denominated in pound sterling;
- due to be repaid within 12 months of arrangement;
- not defined as capital expenditure by legislation, and invested with one of:
 - the UK Government;
 - a UK local authority, parish council or community council, or;
 - a body or investment scheme of "high credit quality".

The Authority defines “high credit quality” organisations as those having a credit rating of A+ or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher.

Non-Specified Investments: any investment not meeting the definition of a specified investment is classed as non-specified. The Authority does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality.

The Authority may lend or invest money using any of the following instruments:-

- interest-bearing bank accounts;
- fixed term deposits and loans;
- callable deposits where the Authority may demand repayment at any time (with or without notice);
- certificates of deposit;
- bonds, notes, bills, commercial paper and other marketable instruments, and

Investments may be made at either a fixed rate of interest, or at a variable rate linked to a market interest rate, such as LIBOR, subject to the limits on interest rate exposures below.

The Authority prepares daily cash flow forecasts to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a pessimistic basis, with receipts under-estimated and payments over-estimated to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority’s medium term financial plan and cash flow forecast.

Minimum Revenue Provision (MRP)

Under Local Authority Accounting arrangements the Authority is required to set aside a sum of money each year to reduce the overall level of debt. This sum is known as the Minimum Revenue Provision (MRP).

The Authority implemented the new Minimum Revenue Provision (MRP) guidance in 2008/09 and will assess their MRP for 2017/18 in accordance with the main recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003.

It is proposed to continue to utilise the Capital Financing Requirement (CFR) Method. This provides for a charge of 4% of the value of fixed assets, as measured on the balance sheet, for which financing provision has not already been made. It is currently estimated that this has a nil value for capital expenditure financed by borrowing.

In addition the Authority has previously agreed additional voluntary MRP contributions in order to reduce current and future borrowing requirements and to provide scope to pay off

debt as it matures, as set out earlier. This is still considered a prudent approach, and as such the table overleaf allows for a continuation of this policy.

	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
Statutory charge to revenue 4% MRP	-	-	-	-
Additional voluntary lump sum MRP	0.024	0.058	-	-
Total MRP	0.024	0.058	-	-

Whilst the Authority has no unsupported borrowing, nor has any plans to take out any unsupported borrowing it needs to approve a policy relating to the MRP that would apply if this were not the case. As such in accordance with the Local Government Act 2003, the MRP on any future unsupported borrowing will be calculated using the Asset Life Method. This will be based on a straightforward straight – line calculation to set an equal charge to revenue over the estimated life of the asset. Estimated life periods will be determined under delegated powers. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the Authority. However, the Authority reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

As some types of capital expenditure incurred by the Authority are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

Assets held under a PFI contracts and finance leases form part of the Balance Sheet. This has increased the overall capital financing requirement and on a 4% basis the potential charge to revenue. To prevent the increase the guidance permits a prudent MRP to equate to the amount charged to revenue under the contract to repay the liability. In terms of the PFI schemes this charge forms part of the payment due to the PFI contractor.

Prudential Indicators for 2016/17 to 2019/20 in respect of the Combined Fire Authority's Treasury Management Activities.

In accordance with its statutory duty and with the requirements of the Prudential Code for Capital Finance and the CIPFA Code for Treasury Management, the Combined Fire Authority produces each year a set of prudential indicators which regulate and control its treasury management activities.

The following table sets out the debt and investment-related indicators which provide the framework for the Authority's proposed borrowing and lending activities over the coming three years. These indicators will also be approved by members as part of the Capital Programme approval process along with other capital expenditure-related indicators, but need to be reaffirmed and approved as part of this Treasury Management Strategy.

It should be noted that contained within the external debt limits, there are allowances for outstanding liabilities in respect of the PFI schemes and finance leases for operational vehicles and photocopiers.

Treasury Management Prudential Indicators

Treasury Management Prudential Indicators	2016/17 (Revised) £m	2017/18 £m	2018/19 £m	2019/20 £m
1. Adoption of the Revised CIPFA Code of Practice on Treasury Management (2011)		Adopted for all years		
2. Authorised limit for external debt - A prudent estimate of external debt, which includes sufficient headroom for unusual cash movements.				
Borrowing	7.800	7.800	7.800	7.800
Other long-term liabilities	15.400	15.000	14.700	14.300
TOTAL	23.200	22.800	22.500	22.100
3. 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	6.800	6.800	6.800
Other long-term liabilities	14.900	14.500	14.200	13.800
TOTAL	21.700	21.300	21.000	21.600
4. Upper limit for fixed interest rate exposure				
Upper limit of borrowing at fixed rates	100%	100%	100%	100%
Upper limit of investments at fixed rates	100%	100%	100%	100%
5. Upper limit for variable rate exposure				
Upper limit of borrowing at variable rates	25%	25%	25%	25%
Upper limit of investments at variable rates	100%	100%	100%	100%
6. Upper limit for total principal sums invested for over 364 days (per maturity date)	25.000	25.000	25.000	25.000
7. Maturity structure of Debt	Upper Limit %	Lower Limit %		
Under 12 months	30	-		
12 months and within 24 months	30	-		
24 months and within 5 years	50	-		
5 years and within 10 years	80	-		
10 years and above	90	-		

Financial Implications

It is worth noting that the Authority currently utilises Lancashire County Council to undertake its Treasury Management Activities, at an annual cost of £7,000, which is built into the current and future budgets.

Human Resource Implications

None

Equality and Diversity Implications

None

Environmental Impact

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.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact
CIPFA Treasury Management Code of Practice and Guidance	November 2011	Keith Mattinson
The Department of Communities and Local Government (CLG) guidance on local authority investments	March 2010	Keith Mattinson
Treasury Management in the Public Services: Code of Practice 2011 Edition.	November 2011	Keith Mattinson
Revenue and Capital Budget Reports	February 2017	Keith Mattinson
Reason for inclusion in Part II, if appropriate:		

APPENDIX 1

Treasury Management Policy Statement

The Authority's financial regulations require it to create and maintain a Treasury Management Policy Statement, stating the policies, objectives and approach to risk management of its treasury activities, as a cornerstone for effective treasury management.

Definition

The Authority defines its treasury management activities as: the management of the Authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

Risk management

The Fire Authority regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

Value for money

The Fire Authority acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

Borrowing policy

The Fire Authority greatly values revenue budget stability and will therefore borrow the majority of its long-term funding needs at long-term fixed rates of interest. However, short term and variable rate loans may be borrowed to either offset short-term and variable rate investments or to produce revenue savings. The Authority will also constantly evaluate debt restructuring opportunities of the existing portfolio.

The Fire Authority will set an affordable borrowing limit each year in compliance with the *Local Government Act 2003*, and will have regard to the *CIPFA Prudential Code for Capital Finance in Local Authorities* when setting that limit. It will also set limits on its exposure to changes in interest rates and limits on the maturity structure of its borrowing in the treasury management strategy report each year.

Investment policy

The Fire Authority's primary objectives for the investment of its surplus funds are to protect the principal sums invested from loss, and to ensure adequate liquidity so that funds are available for expenditure when needed. The generation of investment income to support the provision of local authority services is an important, but secondary, objective.

The Fire Authority will have regard to the Communities and Local Government Guidance on Local Government Investments and will approve an Investment Strategy each year as part of the Treasury Management Strategy. The strategy will set criteria to determine suitable organisations with which cash may be invested, limits on the maximum duration of such investments and limits on the amount of cash that may be invested with any one organisation.

LANCASHIRE COMBINED FIRE AUTHORITY

Meeting to be held on 20 February 2017

RESERVES AND BALANCES POLICY

Contact for further information:

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

Executive Summary

The Fire Authority needs to hold reserves to meet potential future expenditure requirements.

The reserves policy is based on guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

The policy explains the difference between general reserves (those held to meet unforeseen circumstances) and earmarked reserves (those held for a specific purpose). In addition, the policy identifies how the Authority determined the appropriate level of reserves and what these are.

The policy confirms that the level of and the appropriateness of reserves will be reported on as part of the annual budget setting process and as part of the year end accounting process.

Recommendation

The Authority is requested to approve the policy and the level of reserves included within it.

Reserves and Balances Policy

General Reserves

These are non-specific reserves which are kept to meet short/medium term unforeseeable expenditure and to enable significant changes in resources or expenditure to be properly managed in the medium term.

The Authority needs to hold an adequate level of general reserves in order to provide:-

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing;
- A contingency to cushion the impact of unexpected events;
- A means of smoothing out large fluctuations in spending requirements and/or funding available.

The following table sets out the purpose of this reserve, how it is utilised, controlled and reviewed.

Name	General Fund
Purpose	This covers uncertainties in future years budgets, such as: <ul style="list-style-type: none"> • future grant settlements being lower than forecast; • higher levels of inflation than budgeted; • increasing cost of and changes to pensions • service demands increasing, putting additional pressure on demand led budgets ; • changes in legislation impacting on future service provision; • potential cost of industrial action.
Utilisation	This is utilised to offset any in-year overspend that would occur when comparing budget requirement to the level of funding generated
Controls	The utilisation of this is agreed as part of the annual budget setting process. Any further utilisation requires the approval of the Resources Committee
Review	The adequacy of this is reviewed annually, as part of the budget setting process

Review of Level of Reserves

In determining the appropriate level of general reserves required by the Authority, the Treasurer is required to form a professional judgement on this, taking account of the strategic, operational and financial risk facing the Authority. This is completed based on guidance issued by CIPFA, and includes an assessment of the financial assumptions underpinning the budget, the adequacy of insurance arrangements and consideration of the Authority's financial management arrangements. In addition the assessment should focus on both medium and long-term requirements, taking account of the Medium Term Financial Strategy (as set out in the draft budget report elsewhere on this agenda).

For Lancashire Combined Fire Authority this covers issues such as: uncertainty surrounding future funding settlements and the potential impact of this on the revenue and capital budget; uncertainty surrounding future pay awards and inflation rates; the impact of changes to pension schemes; demand led pressures, risk of default associated with our investments as set out in the Treasury Management Strategy, etc.

The Government has confirmed that the multi-year settlement offers have been agreed with all single purpose fire and rescue authorities. Hence barring exceptional circumstances, and subject to the normal statutory consultation process for the local government finance settlement, the Government expects these amounts to be presented to Parliament each year, up to 2019/20. This provides much greater certainty. It should still be noted that this period will see an end to the current funding model with a move to full retention of business rates and the phasing out of Revenue Support Grant, the actual details of which are still unknown and which may impact on the settlements outlined.

The Treasurer considers it prudent to reduce the minimum target reserves level to £2.8m, 5.0% of the 2017/18 net revenue budget, a reduction on previous years due to indicative four year settlements but still maintained at a reasonable level to reflect on-going economic uncertainty and the underlying risks within the budget.

Should reserves fall below this minimum level the following financial year's budget will contain options for increasing reserves back up to this level. (Note, this may take several years to achieve.)

Whilst this exercise sets a minimum level of reserves it does not consider what, if any, maximum level of reserves is appropriate. In order to do this the level of reserves held should be compared with the opportunity cost of holding these, which in simple terms means that if you hold reserves that are too high you are foregoing the opportunity to lower council tax or invest in further service improvements.

However, given the limited scope to increase council tax without holding a local referendum the ability to restore depleted reserves in future years is severely limited. Hence any maximum reserve limit must take account of future anticipated financial pressures and must look at the long term impact of these on the budget and hence the reserve requirement. Based on professional judgement, the Treasurer feels that this should be maintained at £10.0m.

Should this be exceeded the following financial year's budget will contain options for applying the excess balance in the medium term, i.e. over 3-5 years.

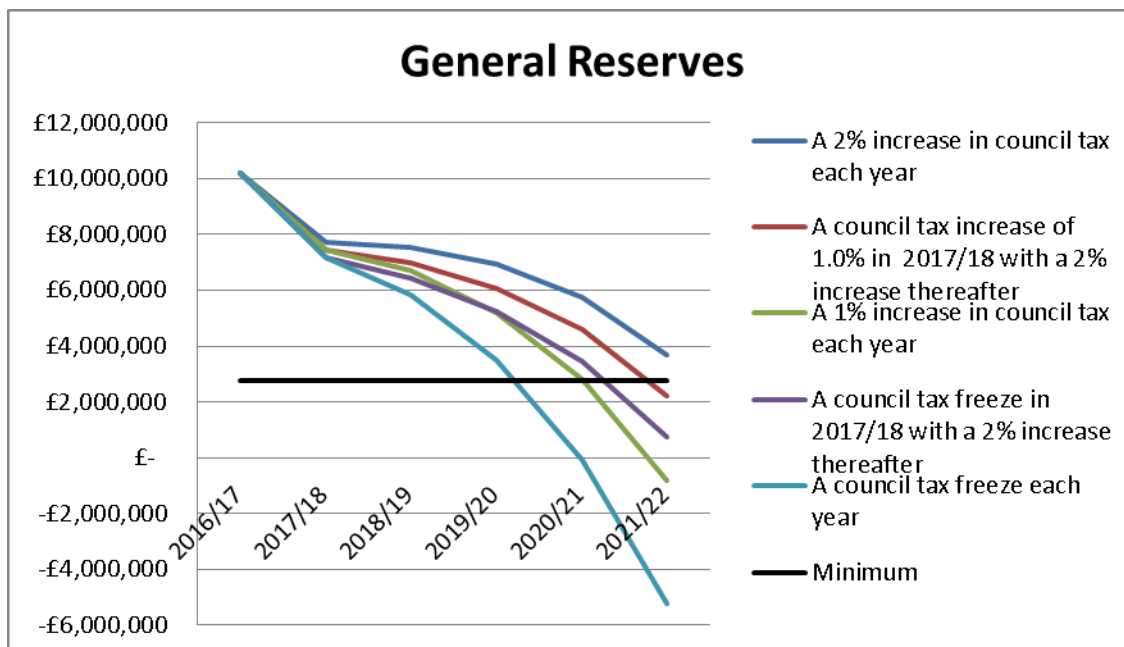
Current level of General Reserves

The overall level of the general fund balance, i.e. uncommitted reserves, anticipated at the 31 March 2017 is £10.2m. The draft capital programme allows for a further transfer of £2.6m from general reserve to the capital programme in 2017/18, leaving a forecast balance of £7.6m, providing scope to utilise approx. £4.8m of reserves.

Based on current assumptions, and dependent upon council tax decisions, further drawdowns of between £0.7m and £4.1m may be required to balance the revenue budget over the next 3 years, i.e. the remainder of the multi-year settlement. This would reduce our overall general reserve level to between £6.9m and £3.5m, still within our target range.

Thereafter the position is less clear as multi-year settlements have ended and the budget forecasts become less accurate as there are a whole host of assumptions underpinning these projections, particularly around vacancy profiles, pension costs, future inflation and pay awards.

Assuming general reserves were used to balance the overall position each year this would deliver a sustainable position throughout the period based on a 2% increase in council tax each year, whereas reserves would run out in 2020/21 if council tax was frozen each year:-



Earmarked Reserves

These are reserves created for specific purposes to meet known or anticipated future liabilities and as such are not available to meet other budget pressures. They can only be used for that specific purpose, for which they were established, and as such it is not appropriate to set any specific limits on their level, but as part of the annual accounts process their adequacy will be reviewed and reported on.

The following table sets out the purpose of this reserve, how it is utilised, controlled and reviewed.

Name	Earmarked
Purpose	This covers monies set aside for specific purposes
Utilisation	Once set up these reserves can only be used for the specific purpose for which they were established
Controls	The utilisation of these are discussed at quarterly DFM meetings between the budget holder, relevant Executive Board member, and the Director of Finance
Review	The level of earmarked reserves is reviewed each year as part of the revenue outturn/annual accounts process to ensure these are reasonable and remain relevant

The Director of Corporate Services has delegated authority to create new earmarked reserves valued at up to £100,000; any request which exceeds this must be reported to the Resources Committee for approval.

Specific earmarked reserves will be closed when there is no longer a requirement to hold them, at which point they will either hold a nil balance or when any outstanding balance will be transferred into the general reserve.

Current level of Earmarked Reserves

The following table provides a breakdown of the £9.5m of earmarked reserves held at 31st March 2016, as previously agreed by Resources Committee, and a forecast of the anticipated position as at 31 March 2022:-

	Balance at 31 March 2016	Forecast at 31 March 2022	
	£m	£m	
DFM Reserve	0.4	0.4	Devolved Financial Management Reserve enables budget holders to carry forward any surplus or deficit from one financial year to the next, within prescribed limits, giving greater flexibility and optimising the use of resources. This is utilised by the individual budget holder, as required. The levels of individual DFM reserves are reviewed each year as part of the revenue outturn/annual accounts process, to ensure that they are reasonable and that budget holders are not building up excessive reserves.
PFI Reserves	3.4	3.1	Private Finance Initiative Reserve, which is used to smooth out the annual net cost to the Authority of the existing PFI scheme, and will be required to meet future contract payments. The utilisation of this is set out in the budget agreed at the start of the year, any variance in requirements from this are agreed by the Treasurer as part of the revenue outturn/annual accounts process. The level of reserve required to meet future contract payments is assessed on an annual basis by the Treasurer.
New Dimensions Funding	0.4	0.1	To fund further training / expenditure in respect of the USAR team.
Retained Bounties	0.1	-	Following the introduction of the New Fire-fighters Pension Scheme in April 2006 all accrued liabilities in respect of retained bounties were frozen at that point in time, with the amounts being set aside in this earmarked reserve. As these bounties become payable the reserve is used to offset the revenue cost of this, with the final payment due in the current year.
Equipment	0.1	0.1	This reserve has been created to smooth the timing effects of replacing equipment, and meet large one off purchases that would otherwise directly impact the revenue budget and lead to large fluctuations in revenue budgets each year.
Insurance Aggregate Stop Loss (ASL)	1.4	1.4	The Authority's current insurance policies have a combined aggregate stop loss (ASL) of £0.7m (the self-insured loss liability for vehicles standing at £0.3m and the combined insurance liability standing at £0.4m). As such the reserve, combined with amounts within the revenue budget (£0.2m per annum), provides sufficient cover to meet 3 years' worth of the maximum possible loss.
Backlog Maintenance	0.2	-	This reserve was created to tackle backlog maintenance identified in both the last stock

			condition survey and works at STC. We anticipate utilising this by the end of next year.
ICT	0.2	-	The remaining balance will be used on future ICT projects in order to deliver improved ways of working and facilitate on-going efficiency savings.
Restructure	2.0	-	The reserve was set up to provide funding to meet any restructuring costs associated with the review of service provision. Given the improvement in funding, and the move to multi-year settlements this should not be required in future years, and hence the balance has been transferred into the capital funding reserve to meet future capital commitments.
Princes Trust Volunteers	0.2	0.2	This reserve covers financial pressures arising from potential loss of secondees from partners, and the short term nature of funding arrangements through the colleges we work with, giving short term security to the activities of the Prince's Trust, and cushioning the adverse effects of any funding cuts which occur in the future.
Youth Engagement Scheme/Community Fire Safety projects	0.1	-	This reserve reflects income collected from various sources to fund area based youth related projects, such as Fire Cadets.
PWLB	1.0	-	This reserve has been created to meet the potential penalty costs associated with repayment of the PWLB loans. This is a notional amount as any penalties incurred will depend on both forecast interest rates and the remaining time to maturity, hence the actual penalty will be considered as part of the decision to repay the loans in due course, with any such decision being considered as part of future Treasury Management Strategy. As reported in the Treasury Management Strategy, elsewhere on this agenda, the Authority has £5m of existing debt as a result of previous years' capital investment. As part of the Strategy adopted in 2014/15 additional MRP payments have been made which would enable loans to be repaid on maturity without the need to replace them or if advantageous to repay loans early. Any early repayment of loans will attract a penalty, and this currently stands at £1.5m The penalty varies throughout the period of the loan dependent upon how long the loan has to maturity and how the interest rate on the loan compares to current market rates. As such a sum has been set aside to meet the majority of any penalty arising should the Authority choose to repay these at a future date. For the purpose of forecasting we have assumed that this occurs in 2018/19.
	9.5	5.3	

It is worth noting that of the anticipated balance of £5.3m, £3.1m relates to the PFI reserve with a further £1.4m relating to the insurance reserve.

Capital Reserves and Receipts

Capital Reserves have been created from under spends on the revenue budget in order to provide additional funding to support the capital programme in future years; as such they cannot be used to offset any deficit on the revenue budget, without having a significant impact on the level of capital programme that the Authority can support.

Capital Receipts are generated from the sale of surplus assets, which have not yet been utilised to fund the capital programme. Under revised regulations receipts generated between April 2016 and March 2019 can be used to meet qualifying revenue costs, i.e. set up and implementation costs of projects/schemes which are forecast to generate on-going savings. The on-going costs of such projects/schemes does not qualify. The Authority does not currently intend to do so. Whilst the Authority currently holds £1.5m of capital receipts all of which pre-dates the new regulation and hence cannot be used in this way. Furthermore the Authority only has one surplus capital asset, a small piece of land in South Ribble, on which it is currently reviewing disposal options, however it is not anticipated that this will generate significant capital receipts. Hence for the purpose of planning we have not assumed any capital receipts will be used to meet qualifying revenue expenditure.

The following table sets out the purpose of this reserve, how it is utilised, controlled and reviewed.

Name	Capital reserves and receipts
Purpose	This covers monies set aside to fund the future capital programme
Utilisation	Once set up these reserves can only be used to fund capital expenditure
Controls	The proposed utilisation of these are reported to the Authority as part of the capital programme setting and monitoring arrangements
Review	These are reviewed on an annual basis as part of the year end outturn, reported to Resources Committee and as part of the capital budget setting report to the Authority

At 31 March 2016 the Authority held £11.8m of capital reserves and receipts. We anticipate utilising £2.5m of this in 2016/17; however we also anticipate transferring a further £4.3m into this from the restructuring reserve referred to earlier and from the in-year underspend. As such we anticipate a year-end balance of £13.6m. Based on the capital programme presented elsewhere on this agenda we anticipate utilising a further £10.6m by 31 March 2022, leaving a balance of £3.0m to fund future capital programmes.

Provisions

The Authority has three provisions to meet future estimated liabilities:-

Insurance Provision

This covers potential liabilities associated with outstanding insurance claims. The precise costs of these are uncertain but which are not reimbursable from insurers as they fall below individual excess clauses and the annual self-insured limits. This provision fully covers all estimated costs associated with outstanding claims. Until such time as the

year-end position is known it is not possible to estimate, with any accuracy, the likely changes to this provision. As such this is not available to meet other budget pressures.

The following table sets out the purpose of this provision, how it is utilised, controlled and reviewed.

Name	Insurance Provision
Purpose	This covers monies set aside to meet future insurance claims
Utilisation	Once set up the provision can only be utilised to meet insurance claims
Controls	The utilisation of these are reported on an annual basis as part of the year end outturn report presented to Resources Committee
Review	The level of the provision is reviewed annually based on existing and anticipated outstanding insurance claims to ensure these are reasonable and remain relevant

At 31 March 2016 this provision stood at £1.2m to cover anticipated costs of outstanding insurance claims. Whilst an element of this will be utilised in the current financial year, reflecting the settlement of outstanding claims, it is impossible to accurately predict the extent of this usage or the need for any additional provision to meet claims that arise in year, until such time as a full review is undertaken as part of the financial year end process. Therefore for the purpose of this report we have assumed that the level of insurance provision remains unchanged.

Retained Fire-fighters' Provision

This covers potential liabilities associated with Retained Fire-fighters' claims (under the Part-Time Workers (prevention of less favourable treatment) Regulations 2000) concerning employment terms and eligibility to be part of the Fire-fighters' Pension Scheme, which is subject to negotiation at a national level. As such this is not available to meet other budget pressures.

The following table sets out the purpose of this provision, how it is utilised, controlled and reviewed.

Name	Retained Fire-fighters' Provision
Purpose	This covers monies set aside to meet future costs associated with the Retained Fire-fighters' claim
Utilisation	Once set up the provision can only be utilised to meet costs associated with settlement of such claims
Controls	The utilisation of these are reported on an annual basis as part of the year end outturn report presented to Resources Committee
Review	The level of the provision is reviewed annually based on national guidance to ensure the level of the provision is appropriate and is still required

At 31 March 2016 this provision stood at £0.1m, which is in line with the latest estimated cost and we anticipate utilising all of this in the current financial year.

Business Rates Collection Fund Appeals Provision

This covers the Authority's share of outstanding appeals against business rates collection funds, which is calculated each year end by each billing authority within Lancashire based on their assumptions of outstanding appeal success rates, as part of their year-end accounting for the business rates collection fund.

The following table sets out the purpose of this provision, how it is utilised, controlled and reviewed.

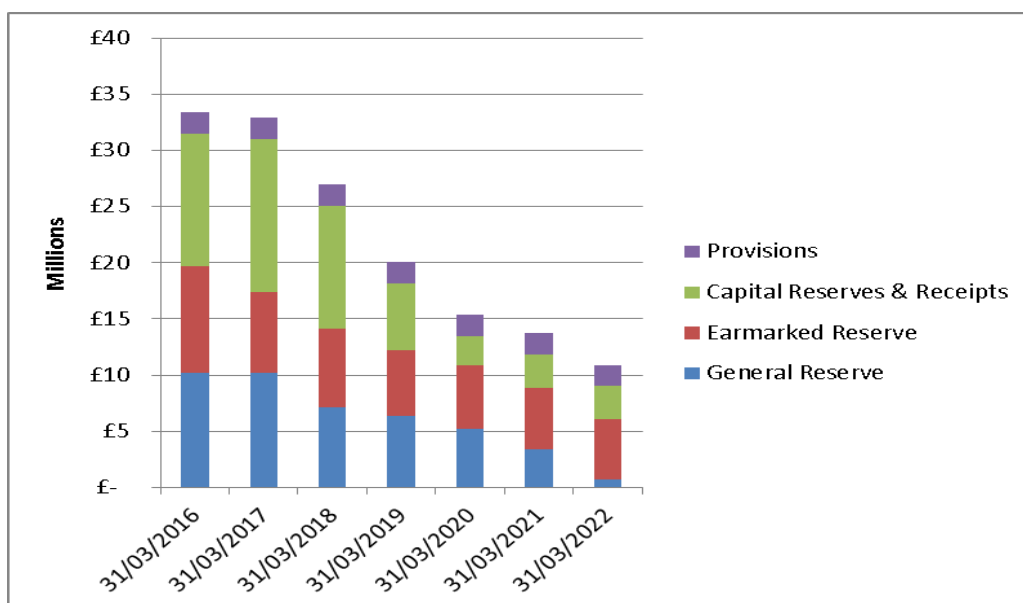
Name	Business Rates Collection Fund Appeals Provision
Purpose	This covers monies set aside to meet the Authority's share of the cost of successful business rates appeals
Utilisation	Once set up the provision can only be utilised to meet costs associated with settlement of such appeals
Controls	The utilisation of these are reported on an annual basis as part of the year end outturn report presented to Resources Committee
Review	The level of the provision is reviewed annually based on each billing authority's assumptions regarding success rates to ensure these are reasonable and remain relevant

At 31 March 2016 this provision stood at £0.7m to cover anticipated costs of outstanding business rates appeals. Whilst a significant element of this will be utilised in the current financial year, reflecting the settlement of outstanding appeals, it is impossible to accurately predict the extent of this usage or the need for any additional provision to meet appeals that arise in year, until such time as a full review is undertaken as part of the financial year end process. Therefore for the purpose of this report we have assumed that the level of business rates appeals provision remains unchanged.

Summary Reserve Position

The following table sets out the summary anticipated position in terms of reserves and balances showing the overall level reducing to approx. £11m by 31 March 2022 (for the purpose of forecasting we have allowed for a council tax freeze in 2017/18 and 2% increases thereafter and have assumed that all funding gaps are met from utilisation of general reserves):-

	General Reserve	Earmarked Reserve	Capital Reserves & Receipts	Provisions	Total Reserves & Balances
	£m	£m	£m	£m	£m
Balance 31/3/16	10.2	9.5	11.8	1.9	33.4
Change in year	0.0	(2.3)	1.8	(0.0)	(0.5)
Balance 31/3/17	10.2	7.2	13.6	1.9	32.9
Change in year	(3.0)	(0.2)	(2.7)	0.0	(5.9)
Balance 31/3/18	7.2	7.0	10.9	1.9	26.9
Change in year	(0.8)	(1.2)	(5.0)	0.0	(6.9)
Balance 31/3/19	6.4	5.8	5.9	1.9	20.0
Change in year	(1.2)	(0.2)	(3.3)	0.0	(4.7)
Balance 31/3/20	5.2	5.6	2.6	1.9	15.3
Change in year	(1.8)	(0.2)	0.3	0.0	(1.6)
Balance 31/3/21	3.4	5.5	2.9	1.9	13.7
Change in year	(2.7)	(0.2)	0.0	0.0	(2.8)
Balance 31/3/22	0.7	5.3	3.0	1.9	10.9



As this shows up to 31/3/2020, the end of the current multi-year settlement period, we remain in a healthy position. The reduction in the level of reserves becomes more of a concern thereafter but as already highlighted this position will be subject to significant change as funding, inflation, pay awards and other pressures all become clearer in future years. The annual refresh of this policy will identify the impact of any changes as they develop.

Financial Risk

There is a risk that the level of reserves will not be sufficient to meet future requirements, this policy and the subsequent reporting mechanism is designed to mitigate this.

HR Risk

None.

Equality and Diversity Implications

None.

Environmental Impact

None.

Business Risk Implications

The management of reserves forms a key element of our budget strategy. Having an agreed policy, within which we are able to manage our reserves, provides clearer accountability, and reduces the risk of the Authority maintaining an inappropriate level of reserves, either too high or too low.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	<u>Contact</u>
CIPFA Guidance	Various	Keith Mattinson
Local Government Finance settlement	December 2016 & February 2017	Keith Mattinson
Revenue, Capital Budget and Treasury Management Strategy Reports to CFA	December 2016 & February 2017	Keith Mattinson
Reason for inclusion in Part II, if appropriate:		

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LANCASHIRE COMBINED FIRE AUTHORITY

Meeting to be held on 20 February 2017

CAPITAL BUDGET 2017/18-2021/22

(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 final proposed capital programme for 2017/18-2021/22, together with the funding of this.

Recommendation

The Combined Fire Authority is asked to approve:-

- The proposed Capital Budget;
- The Prudential Indicators as set out at Appendix 2.

Information

A report was presented to the meeting in December requesting Members to give initial consideration to the Capital Programme for 2017/18-2021/22. The report highlighted anticipated spending of £23.1m compared with available funding of £26.1m, a funding surplus of £3.0m.

Revised Programme

There are no changes to the draft programme as presented in December, as a result the overall capital programme remains:-

	2017/18	2018/19	2019/20	2020/21	2021/22	TOTAL
	£m	£m	£m	£m	£m	£m
Vehicles	1.659	1.806	2.814	0.962	1.070	8.311
Operational Equipment	0.420	0.350	1.550	0.250	0.435	3.005
Buildings	4.750	4.000	-	-	-	8.750
IT Equipment	1.350	0.545	0.720	0.210	0.200	3.025
Total	8.179	6.701	5.084	1.422	1.705	23.091

Although there are no changes to the draft programme it should be noted that there is a possibility that the £0.8m budget in 2017/18 in relation to the Emergency Services Mobile Communications Programme (ESMCP) may slip into 2018/19 should the national programme milestones be moved further backwards. It should also be noted that there is £0.2m capital budget allocated in 2016/17 for ESMCP which will be in a similar position.

A full breakdown of the programme is attached as Appendix 1.

The majority of the expenditure in the capital programme relates to:-

- The on-going vehicle replacement programme;
- Replacement of operational equipment in line with assets lives;
- Building projects; and
- Replacement of ICT equipment in line with the current Asset Management Plan.

A further report will be presented to the Resources Committee in June, confirming the final year end capital outturn for 2016/17 and the impact of slippage from this on the programme outlined above.

Available Resources

The draft capital budget report identified total available funding of £26.1m to be used in the period.

The Local Government Finance Settlement did not include any reference to any other future capital grant and hence no allowance has been made for this.

As referred to in the December capital budget report it is proposed to utilise £2.6m of general reserves to fund the 5 year programme, resulting in the Authority still holding £3.0m of capital receipts and reserves at the end of the period, and therefore being in a stronger position to meet recurring capital requirements.

The final funding for the programme is set out below:-

	2017/18	2018/19	2019/20	2020/21	2021/22	TOTAL
	£m	£m	£m	£m	£m	£m
Capital Grant	0.800	-	-	-	-	0.800
Capital Receipts	-	-	-	-	-	-
Capital Reserves	2.730	4.951	3.334	(0.328)	(0.045)	10.642
Revenue Contributions	2.000	1.750	1.750	1.750	1.750	9.000
Earmarked Reserves	0.049	-	-	-	-	0.049
General Reserves	2.600	-	-	-	-	2.600
	8.179	6.701	5.084	1.422	1.705	23.091

Summary Position

The capital programme breaks even over the 5 year period:-

	2017/18	2018/19	2019/20	2020/21	2021/22	TOTAL
	£m	£m	£m	£m	£m	£m
Capital Requirements	8.179	6.701	5.084	1.422	1.705	23.091
Capital Funding	8.179	6.701	5.084	1.422	1.705	23.091
Surplus/(Shortfall)	-	-	-	-	-	-

The overall programme shows a balanced position and hence the capital programme is considered affordable, prudent and sustainable.

Capital Reserves/Receipts

The table below shows the anticipated movements on both capital reserves and capital receipts during the course of the 5-year programme, as can be seen at the end of the 5 year programme the Authority will still hold £3.0m which can be used to supplement the revenue contributions in future years, thus providing a sustainable capital position in the medium term:-

	2017/18	2018/19	2019/20	2020/21	2021/22
Capital Reserves	£m	£m	£m	£m	£m
Balance at start of year	12.120	9.390	4.439	1.105	1.433
Utilised in year	(2.730)	(4.951)	(3.334)	0.328	0.045
Balance available for future years	9.390	4.439	1.105	1.433	1.478
Capital Receipts					
Balance at start of year	1.501	1.501	1.501	1.501	1.501
Utilised in year	-	-	-	-	-
Balance available for future years	1.501	1.501	1.501	1.501	1.501
Total unused funding available	10.891	5.940	2.606	2.934	2.979

Prudential Indicators

The Prudential Code gives the Authority increased flexibility over its level of capital investment and much greater freedom to borrow, should this be necessary, to finance planned expenditure. However, in determining the level of borrowing, the Authority must prepare and take account of a number of Prudential Indicators aimed at demonstrating that the level and method of financing capital expenditure is affordable, prudent and sustainable. These Indicators are set out at Appendix 1, along with a brief commentary on each. The Prudential Indicators are based on the programme set out above, including projected slippage of £4.3m from the 2016/17 capital programme. These indicators will be updated to reflect the final capital outturn position, and reported to the Resources Committee at the June meeting.

The main emphasis of these Indicators is to enable the Authority to assess whether its proposed spending and its financing is affordable, prudent and sustainable and in this context, the Treasurer's assessment is that, based on the Indicators, this is the case for the following reasons: -

- In terms of affordability, the negative ratio of financing costs arising from borrowing reflects interest receivable exceeding interest payable and Minimum Revenue Provision payments in each of the three years. This reflects the effect of the previous decision to set aside monies to repay debt.
- The estimated impact of the planned spends on the Band D Council Tax is again felt to be within affordable limits. The overall impact on council tax in 2017/18 is £26.55 per Band D property (40% of total council tax). However, all of this arises from the utilisation of capital reserves, which have been charged to council tax in previous years and the revenue contributions to support capital expenditure built into the 2017/18 revenue budget. The actual impact of the capital programme in terms of new borrowing is £0.00 per band D property (0% of total council tax).
- In terms of prudence, the level of capital expenditure, in absolute terms, is considered to be prudent and sustainable at an annual average of £8.1m over the

3-year period after allowing for anticipated slippage from 2016/17. The trend in the capital financing requirement and the level of external debt are both considered to be within prudent and sustainable levels. No borrowing is planned during the three years.

Financial Implications

The financial implications are set out in the report.

Human Resource Implications

None.

Equality and Diversity Implications

The capital programme in respect of replacement/refurbishment of existing property will include some element of adaptations to ensure compliance with the Disability Discrimination Act.

Environmental Impact

The environmental impact of decisions relating to the capital programme will be considered as part of the project planning process, and where possible we will look to minimise the environmental impact of this and whether it is considered practical and cost effective to do so.

Business Risk Implications

The capital programme is designed to ensure that the Service has the appropriate assets in order to deliver its services; as such it forms a key element in controlling the risk to which the Authority is exposed.

Local Government (Access to Information) Act 1985

List of Background Papers

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

Analysis of Capital Programme

Vehicles

The Fleet Asset Management plan has been used as a basis to identify the vehicle replacement programme, which is based on current approved lives:-

Type of Vehicle	No of Vehicles				
	2017/18	2018/19	2019/20	2020/21	2021/22
Pumping Appliance	6	6	6	3	3
Mobile Fire Stations (MFS)	1	1	-	-	-
Aerial Ladder Platform (ALP)	-	-	2	-	-
All Terrain Vehicle	-	-	1	-	1
Prime mover	-	-	-	-	2
Pod	-	1	1	-	-
Operational Support Vehicles	10	15	10	15	11
	17	23	20	18	17

Operational Equipment

	2017/18	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m	£m
Thermal Imaging Cameras (TICs)	0.220	-	-	-	-
Breathing Apparatus Radios	0.200	-	-	-	-
Breathing Apparatus (BA) and Telemetry equipment	-	0.100	0.700	-	-
Cutting and extrication equipment	-	-	0.600	-	-
Light Portable Pumps	-	-	-	-	0.130
Defibrillators	-	-	-	-	0.055
Future fire fighting	-	0.250	0.250	0.250	0.250
	0.420	0.350	1.550	0.250	0.435

Buildings

	2017/18	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m	£m
Property Capital Works arising from stock condition survey and Emergency Cover Reviews	3.500	4.000	-	-	-
Training assets investment	1.250	-	-	-	-
	4.750	4.000	-	-	-

ICT

	2017/18	2018/19	2019/20	2020/21	2021/22
Replace Existing Systems	£m	£m	£m	£m	£m
Performance Management	0.100				
Geographic Information System (GIS) Risk Information	0.050				
Vehicle specification crash recovery software		0.020			
Pooled PPE system		0.080			
Rota system (Retained Duty System)		0.050			
Dynamic Mobilising Tool		0.150			
Rota system (Whole-time Duty System and officer cover)			0.050		
Hydrant Management system			0.020		
Finance system			0.250		
HR & Payroll system				0.150	
Incident Command system				0.060	
Community Fire Risk Management Information System (CFRMIS)					0.100
Asset Management system					0.100
	0.150	0.300	0.320	0.310	0.200
Operational Communications					
ESMCP (Airwave) replacement (estimated)	0.800				
Station end mobilising system	0.400				
Alerters for RDS/DCP staff	-	0.065			
Incident Ground Radios		0.180			
Vehicle Mounted Data Systems (VMDS) hardware replacement			0.400		
	1.200	0.245	0.400	-	-
Total ICT Programme	1.350	0.545	0.720	0.310	0.200

PRUDENTIAL CODE FOR CAPITAL FINANCE

Information

The Prudential Code for capital finance, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), is in the form of a professional code of practice to support local authorities in taking decisions on capital expenditure, borrowing and investments. In reaching these decisions the Authority must follow good professional practice and must assess the implications of capital expenditure in terms of affordability, prudence and sustainability. To enable authorities to demonstrate that its decisions reflect these principles, the code sets out indicators that must be used and factors which must be taken into account.

Affordability Indicators

The objective in consideration of the affordability of the authority's capital plans is to ensure that total capital expenditure remains within sustainable limits, and to consider its impact on the authority's "bottom line" council tax, with affordability ultimately determined by a judgement about acceptable council tax levels.

Estimate of the ratio of financing costs to net revenue stream

	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
	%	%	%
Ratio of Financing Costs to Net Revenue Stream	0.05	0.11	0.19

The very small percentage of this indicator reflects the low amount of underlying debt for the Authority in previous years and the authority's level of investment income.

Estimate of capital expenditure

The estimates of capital expenditure to be incurred in future years, as per the proposed capital programme and allowing for slippage from the 2016/17 programme are:

	2017/18 Estimate including estimated slippage from 2016/17	2018/19 Estimate	2019/20 Estimate
	£m	£m	£m
Capital Expenditure	12.412	6.701	5.084

This indicator will also be applied at the year-end to reflect actual capital expenditure incurred.

Estimate of the incremental impact of capital investment decisions on the council tax.

The estimate of the impact of the capital programme would indicate the following increases in the band D council tax over the period:

	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Gross Increases in Band D Council Tax	£26.55	£15.72	£11.81
Estimated Government Support (RSG)	-	-	-
Increases in Band D Council Tax	£26.55	£15.72	£11.81
Of which, due to the budgeted revenue contribution	(£7.40)	(£4.11)	(£4.06)
Of which, due to utilisation of reserves	(£19.15)	(£11.61)	(£7.75)
Net Increases in Band D Council Tax	-	-	-

The above is based on the planned level of capital spending and financing for the period 2017/18 to 2019/20. The figures show the gross impact on council tax levels excluding government support, the figure net of government support, and also the figure excluding the drawdown from reserves and the revenue contribution.

As can be seen, all of the increases in council tax is funded from the drawdown from reserves (this element has already been charged to the council tax in previous years), plus the planned annual revenue contribution. Hence the net impact in terms of new council tax will zero in each year as we are not planning to borrow to fund the capital programme.

Prudence and Sustainability Indicators

Many of the principles used to determine prudent and sustainable financial management in terms of borrowing are reflected in the CIPFA Code of Practice for Treasury Management in the Public Service. In this respect the Authority has adopted this code and as such is well placed to meet the requirements under the prudential code.

The Prudential Indicators in respect of external debt are aimed at ensuring that the level of external debt is kept within sustainable and prudent limits. In order to determine this, the following indicators are required:

Estimate of capital financing requirement

	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
	£m	£m	£m
Capital Financing Requirement	-	-	-

The capital financing requirement measures the Authority's underlying need to borrow for a capital purpose, and reflects the effects of previous investment decisions as well as future planned expenditure. In accordance with best professional practice, the Authority does not associate borrowing with particular items or types of expenditure. External borrowing arises as a consequence of all the financial transactions of the Authority and not simply those arising from capital spending, but in the medium term the Treasurer anticipates that borrowing is undertaken for capital purposes only. These capital financing requirements then feed through into the anticipated level of external debt as

reported in the Treasury Management Strategy elsewhere on the agenda, but repeated here for completeness. As reported in the Treasury Management Strategy the Authority has made additional Minimum Revenue Provision (MRP) provisions since 2010/11 in order to reduce capital financing requirements to zero and hence the charges associated with this.

Authorised limit for its total external debt

In respect of its external debt the Authority is required to set two limits over the three-year period: an authorised limit and an operational boundary. Both are based on the planned capital expenditure, estimates of the capital financing requirement and estimates of cash flow requirements for all purposes. The operational boundary is based on the most likely, but not worst case, scenario and represents the maximum level of external debt projected by these estimates. However, unexpected cashflow movements can occur during the year and some provision needs to be made in setting the authorised limit to deal with this.

The two indicators are as follows:

	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
	£m	£m	£m
Authorised Limit for External Debt			
Borrowing	7.800	7.800	7.800
Other long term liabilities	14.500	14.200	13.800
Total	22.300	22.000	21.600
Operational Boundary for External Debt			
Borrowing	6.800	6.800	6.800
Other long term liabilities	14.500	14.200	13.800
Total	21.300	21.000	20.600

Estimate of the ratio of gross debt to capital financing requirement

In order to ensure that over the medium term that debt will only be for capital purposes, the Authority should ensure that debt does not exceed the total of capital financing requirement for the current and next two financial years. This is a key indicator of prudence. A ratio under 100% shows that the Authority’s estimated gross debt (which includes all PFI liabilities) is less than the estimated capital financing requirement.

As reported in the Treasury Management Strategy the Authority has made additional MRP provisions since 2010/11 in order to reduce capital financing requirements and hence the charges associated with this, and in order to set monies aside to pay off debt as it matures. It has not used these monies to pay off debt early due to the penalties associated with this. As a result of this the level of debt now held, £6.0m, exceeds the capital financing requirement, £0.0m, resulting in the following ratios:-

	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
	%	%	%
Ratio of gross debt to capital financing requirement	135.84	134.36	132.85

The debt to Capital Financing Requirement (CFR) ratio is above 100% because the Authority has been reducing the CFR by making additional voluntary MRP contributions, which are held in a reserve in anticipation of repaying the debt when it becomes cost effective to do so.

However, if the Authority had not adopted this policy the following ratios would apply which would be less than target 100%:

	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
	%	%	%
Ratio of gross debt to capital financing requirement	85.59	83.92	82.18

LANCASHIRE COMBINED FIRE AUTHORITY

Meeting to be held on 20 February 2017

REVENUE BUDGET 2017/18-2021/22

(Appendices 1, 2, 3, 4, 5 and 6 refer)

Contact for further information:

K Mattinson, Director of Corporate Services - Telephone Number 01772 866804

Executive Summary

The final proposed gross revenue budget for 2017/18 is £54.3m, a reduction of 2.3%. This allows for the identification of £1.5m of efficiency savings.

The draft Local Government Finance Settlement identified funding in line with the agreed multi-year settlement, i.e. £25.3m a reduction of £2.3m (8.2%). The Final Local Government Settlement will not be available until after the meeting, as it will not be debated in parliament until 20 February at the earliest.

The council tax referendum level has remained at 2.0%.

This results in a council tax requirement of £66.46 per Band D property, an increase of 1.5% (£0.96 per annum). As an alternative it would be possible to limit the council tax increase to 1.0% by identifying further budget reductions of £0.1m (resulting in a council tax of £66.16), or to freeze council tax at £65.50 by identifying budget reductions of £0.4m.

All three of the above options meet the requirements to deliver a balanced budget and maintain an adequate level of reserves, and as such the Treasurer believes all three options deliver a robust budget, although any decision to identify additional savings, drawdown reserves or utilise the LGPS surplus puts additional pressure on the revenue budget in the long term.

The Authority is still faced with a funding gap in future years, the extent of which is set out in the report and is dependent upon this, and future years' council tax decisions. However the Authority remains in a strong financial position with reserves able to offset the majority of financial challenges within the 4 year settlement period.

Recommendation

The Combined Fire Authority is asked to:-

- agree which council tax option it wishes to adopt and agree the detailed resolutions set out in the relevant appendix;
- agree how it wishes to treat the Local Government Pension Scheme (LGPS) surplus.

Information

The draft budget was presented to the Authority in December, where the Authority:-

- Gave initial consideration to the draft revenue budget;

- Authorised consultation with representatives of non-domestic ratepayers and Trade Unions on the draft budget proposals;
- Agreed to give further consideration to the budget at their next meeting on 20 February 2017.

Budget Requirement

A draft budget of £53.9m was presented to the December meeting.

Further work has been on-going to refine budget requirements resulting in an updated budget requirement of £54.3m. This represents an increase of £0.3m due to the following:-

- Staffing forecasts have continued to be refined and updated with the latest numbers confirming a need to undertake two recruit courses in the year. As a result of this, and a review of on-going training requirements, the Service has identified a need to invest an additional £0.3m to facilitate this.
- The ESMCP project has been pushed back to September 2018 hence the savings associated with this have been delayed and will only start to accrue from that date.

The updated budget requirement is set out below and at £54.3m still represents a 2.3% reduction in overall requirement, and includes £1.5m of efficiency savings:-

	2017/18	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m	£m
Preceding Years Draft Budget Requirement	55.6	54.3	54.8	56.0	57.7
Inflation	0.8	0.8	0.8	1.7	2.0
Other Pay Pressures	(0.6)	(0.1)	0.7	-	0.1
Committed Variations	(0.6)	(0.1)	0.1	-	-
Growth	0.6	(0.1)	(0.2)	-	-
Efficiency Savings	(1.5)	-	(0.2)	-	-
Budget Requirement	54.3	54.8	56.0	57.7	59.8

Further analysis of the budget is provided in Appendices 4 and 5 attached.

Government Funding Settlement

The Government has confirmed that the multi-year settlement offers have been agreed with all single purpose fire and rescue authorities. Hence, barring exceptional circumstances, and subject to the normal statutory consultation process for the local government finance settlement, the Government expects these amounts to be presented to Parliament each year.

The final Local Government Finance settlement is not due to be debated in Parliament until 20 February at the earliest, hence we have had to assume that the final settlement will be consistent with the draft figures reported in December, i.e. £25.3m.

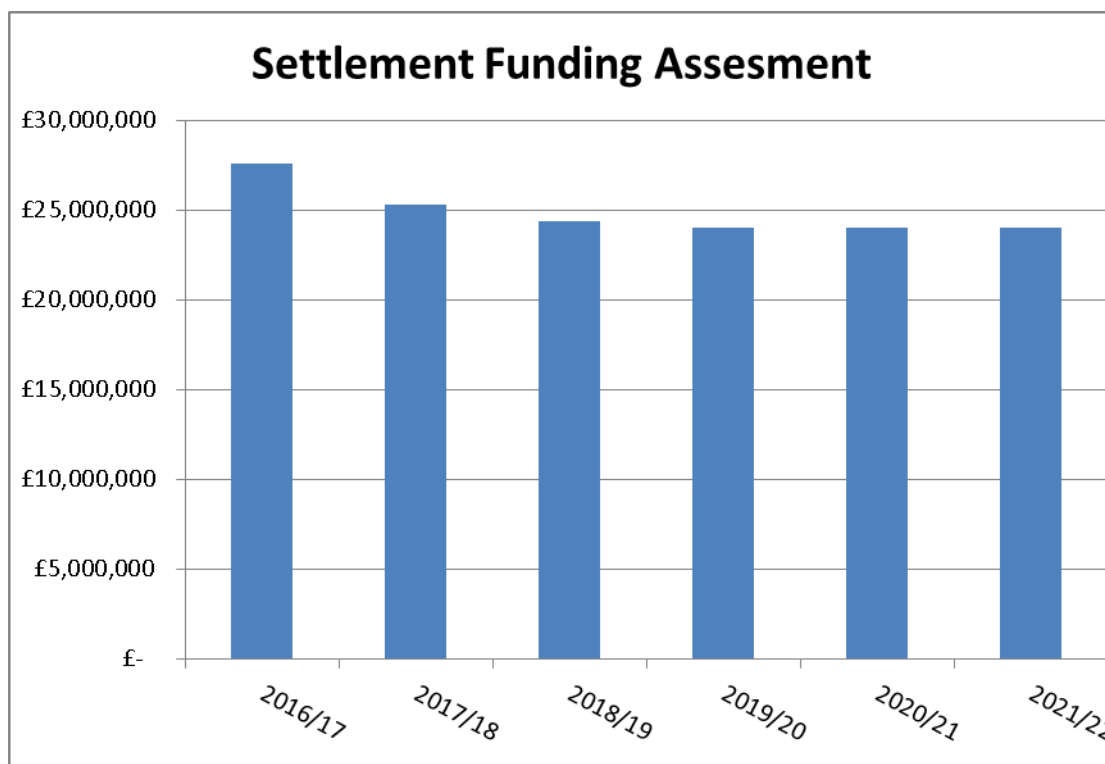
Revenue Support Grant, direct from the Government	£10.7m
Individual Authority Business Rates Baseline	£4.1m
Business Rates Top-Up, from the Government	£10.5m
	£25.3m

If there is a marginal difference between the draft and the final settlement this will be met by reducing our gross budget requirement either through additional savings or drawdown of reserves.

Future settlements form part of the multi-year settlement referred to above.

		Reduction	
2015/16	£29.4m		
2016/17	£27.6m	£1.8m	6.4%
2017/18	£25.3m	£2.3m	8.2%
2018/19	£24.4m	£0.9m	3.7%
2019/20	£24.0m	£0.4m	1.4%
		£5.5m	

As highlighted in the draft budget report the Autumn Statement reaffirmed that Departmental spending will grow with inflation in 2021/22. However there will be significant variation between departments due to how the overall funding is distributed, and the level of protection afforded to some Departments, hence we have assumed funding will be frozen in 2021/22 and beyond.



Included within the Settlement Funding Assessment is an estimated amount in respect of locally retained Business Rates. Billing Authorities have now provided details of this, which show a marginal reduction of £46k compared with the Government's forecast.

Overall the settlement at £25.3m is in line with the draft budget.

Business Rate Adjustments

Business Rates are adjusted for the following:-

- The Government provides specific Section 31 grant to offset lost local revenue arising from the Government's decision to impose a 2% cap on the increase in the small business rate multiplier in 2014/15. The Government has not formally announced that this will not continue in 2017/18, nor has any indication been given that it will cease, and hence for the purpose of planning we have assumed this will be paid, in line with previous years, and have therefore included a sum of £149k in respect of this.
- The Government also provides further Section 31 grant to offset lost local revenue arising from various other decisions which have limited business rates, such as the doubling of small business rate relief, extensions to timeframes for some exemptions etc. This figure has been confirmed by billing authorities at £338k.
- Any surplus or deficit on the business rates collection fund is distributed to relevant bodies, and our share of this stands at a deficit of £177k.

Council Tax 2017/18

Billing authorities have now provided final council tax base figures and the council tax collection fund figures. The tax base has increased by 1.7%, compared with the draft budget which was based on a 1% increase. The collection fund surplus stands at £0.5m compared with the draft budget figure of £0.3m.

Future planning assumptions have been updated to reflect this.

As previously advised the Government has not provided any additional grant to support those authorities who freeze council tax in 2017/18. However it has maintained the council tax referendum limit at 2% for Fire Authorities.

Based on the assumptions outlined the budget requirement results in a council tax of £66.46, an increase of 1.5% or £0.96, less than 2p per week.

	£m
Budget Requirement	54.3
Less Funding Settlement	(25.3)
Less Section 31 Grant re Business Rates	(0.5)
Add Business Rates Collection Deficit	0.2
Less Council Tax Collection Surplus	(0.5)
Equals Precept	28.2
Estimated Number of Band D equivalent properties	425,026
Equates to Council Tax Band D Property	£66.46
Increase in Council Tax	1.47%

As in previous years we have modelled further council tax scenarios:-

- 1% increase
- Freeze

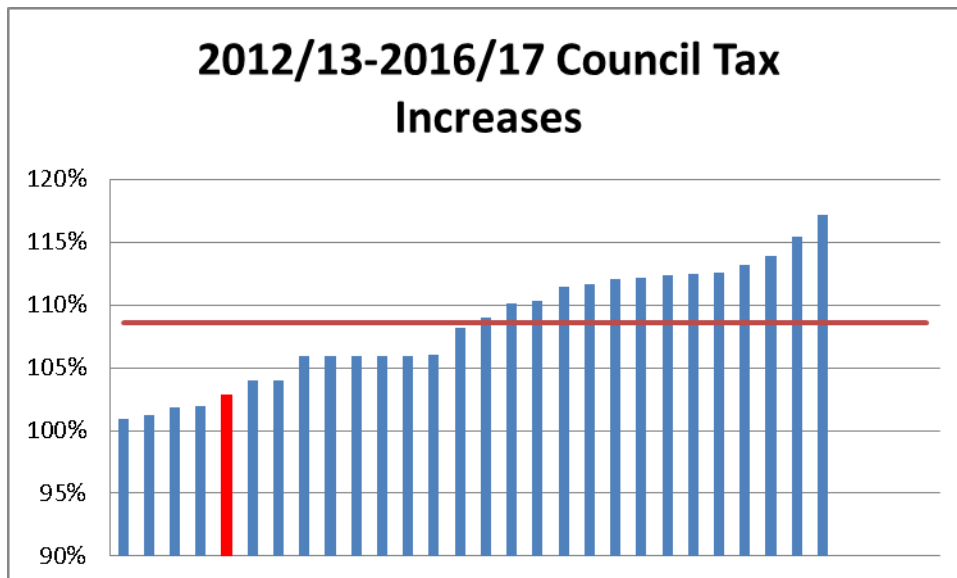
	1% Increase	Freeze
	£m	£m
Gross Budget Requirement	54.3	54.3
Utilisation of reserves/additional savings	(0.1)	(0.4)
Final Budget Requirement	54.2	53.9
Less Funding Settlement	(25.3)	(25.3)
Less Section 31 Grant re Business Rates Capping	(0.5)	(0.5)
Add Business Rates Collection Deficit	0.2	0.2
Less Council Tax Collection Surplus	(0.5)	(0.5)
Equals Precept	28.1	27.8
Estimated Number of Band D equivalent properties	425,026	425,026
Equates to Council Tax Band D Property	£66.16	£65.50
Increase in Council Tax	1.00%	0.00%

The table shows that if the Authority increased council tax by 1% it would require a budget reduction of £0.1m, and a freeze would require a budget reduction of £0.4m. In order to achieve these reductions the Authority could either identify further savings in-year, utilise the Local Government Pension Scheme surplus, as referred to at the December Authority meeting, or utilise reserves.

For information, the draft budget results in a 1.5% increase in council tax, which equates to £0.96 per annum and generates approx. £0.4m of additional precept, where as a 1% increase equates to £0.66 per annum, £0.01 per week, and generates approx. £0.3m of additional precept.

As reported in the draft budget our 2016/17 council tax of £65.50 is still below the national average of £71.50, and is the eighth lowest of any Fire Authority, and our council tax increases of 2.9% over the last 5 years have been significantly lower than the sector average of 8.6%:-

	Lancashire CFA	Average Fire Authority
2012/13	0.0%	1.1%
2013/14	0.0%	2.3%
2014/15	0.0%	1.3%
2015/16	1.9%	1.5%
2016/17	1.0%	2.0%



Further Savings Opportunities

As reported previously the Authority has been extremely successful at delivering efficiency savings, delivering £18m since April 2011. However it is clear that the scope to deliver further savings is extremely limited, with the majority of departments struggling to balance demands against capacity.

The only significant savings opportunity on the horizon appears to be the Emergency Cover Review (ECR) scheduled for next year, but again it must be recognised that previous ECRs have delivered significant savings and the scope to identify further reductions is extremely limited.

As such it may be possible to deliver in year savings in 2017/18 by delaying expenditure and targeting an in-year underspend in order to deliver a balanced budget, but the scope to utilise this to balance future budgets appears limited.

Local Government Pensions Scheme Surplus

As reported at the last Authority meeting the Authority's LGPS fund currently has a surplus of £4.3m, due to improved investment returns, changing assumptions and additional payments made to offset previous deficits.

The report identified the following options:-

- leave the surplus in situ, to offset any future changes;
- drawdown all of the surplus over the 16 year recovery period, £0.3m per annum (this would still leave approx. £3.3m as a surplus at the next valuation, all other things being equal);
- drawdown all of the surplus to offset all of the future service pension contributions, £0.6m per annum, broadly speaking the surplus would be fully utilised in 7 years (this would still leave approx. £2.3m as a surplus at the next valuation, all other things being equal, but we would need scheme approval to do so);
- drawdown part of the surplus over the 16 year recovery period, one option being to draw down a sum equal to the increase in future service contribution, i.e. £0.1m (this would still leave approx. £4.0m as a surplus at the next valuation, all other things being equal).

Any decision to utilise the surplus must be taken recognising the need to maintain a sustainable LGPS funding position and recognising the volatility of the funding valuations (as previously highlighted the funding deficit on the LGPS has historically grown each year due primarily to mortality rates). It should also be recognised that drawing down any of this to offset recurring revenue expenditure will create further financial pressures in future years once the surplus is utilised.

Reserves and Balances

As set out in the previous revenue budget report and the Reserves and Balances Policy reported elsewhere on this agenda, a reasonable level of reserves is needed to provide an overall safety net against unforeseen circumstances, such as levels of inflation/pay awards in excess of budget provision, unanticipated expenditure on major incidents, and other “demand led” pressures, such as increased pension costs, additional costs associated with national projects, industrial dispute etc. which cannot be contained within the base budget. In addition, they also enable the Authority to provide for expenditure, which was not planned at the time the budget was approved, but which the Authority now wishes to implement and to smooth out large fluctuations in spending requirements and/or funding available.

In line with guidance issued by CIPFA a review of the strategic, operational and financial risk facing the Authority is undertaken each year to identify an appropriate level of reserves to hold, this includes an assessment of the financial assumptions underpinning the budget, the adequacy of insurance arrangements and consideration of the Authority’s financial management arrangements. The assessment focuses on both medium and long-term requirements, taking account of the Medium Term Financial Strategy and the draft budgets.

This has identified:-

- minimum target reserves level reducing to £2.8m, 5.0% of the 2017/18 net revenue budget, a reduction on previous years due to indicative four year settlements but still maintained at a reasonable level to reflect on-going economic uncertainty and the underlying risks within the budget;
- the maximum reserve limit is maintained at £10.0m.

The overall level of the general fund balance, i.e. uncommitted reserves, anticipated at the 31 March 2017 is £10.2m. The draft capital programme allows for a further transfer of £2.6m from general reserve to the capital programme in 2017/18, leaving a forecast balance of £7.6m, providing scope to utilise approx. £4.8m of reserves.

As such reserves could be used to deliver a balanced budget in 2017/18. Therefore having reviewed the level of general reserves required and the anticipated utilisation of these, the Treasurer considers these are at an appropriate level to meet future expenditure requirements in 2017/18. The level of these will be reviewed again as part of the year end outturn process and reported on to the Resources Committee.

In addition to the general reserves the Authority also holds earmarked reserves, created for specific purposes to meet known or anticipated future liabilities, capital reserves and receipts, to provide additional funding to support the capital programme in future years, and provisions for outstanding insurance claims and outstanding claims from Retained Firefighters. Further details relating to these are included in the reserves policy and

based on the professional opinion of the Treasurer these are adequate to meet future requirements in the medium term.

Council Tax 2018/19 and beyond

As highlighted earlier, funding up to and including 2019/20 forms part of the multi-year settlement and hence all other things being equal is set for three years. Funding beyond this period is unknown, but is assumed to be frozen at £24.0m.

Based on this the draft budget as presented delivers council tax increases in excess of 3% in future years, above the existing referendum limit.

	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m
Gross Budget Requirement	54.8	56.0	57.7	59.8
Less				
• Funding Settlement	(24.4)	(24.0)	(24.0)	(24.0)
• Business Rates Adjustment	(0.5)	(0.5)	(0.5)	(0.5)
• Business Rates Collection Deficit	0.2	0.2	0.2	0.2
• Council Tax Collection Surplus	(0.5)	(0.5)	(0.5)	(0.5)
Equals Precept	29.7	31.2	32.9	35.0
Tax base - Band D equivalent properties	432,464	440,032	447,733	455,568
Equates to Council Tax Band D Property	£68.58	£70.89	£73.51	£76.84
Increase in Council tax	3.2%	3.3%	3.7%	4.5%

As previously advised, holding a referendum is extremely expensive, costing in excess of £1m, and is unlikely to deliver an increase in excess of the 2% threshold. As such we will need to either deliver additional savings or utilise reserves in order to balance the budget in future years, the extent of which is dependent upon current and future council tax decisions.

As such we have modelled the following council tax scenarios:-

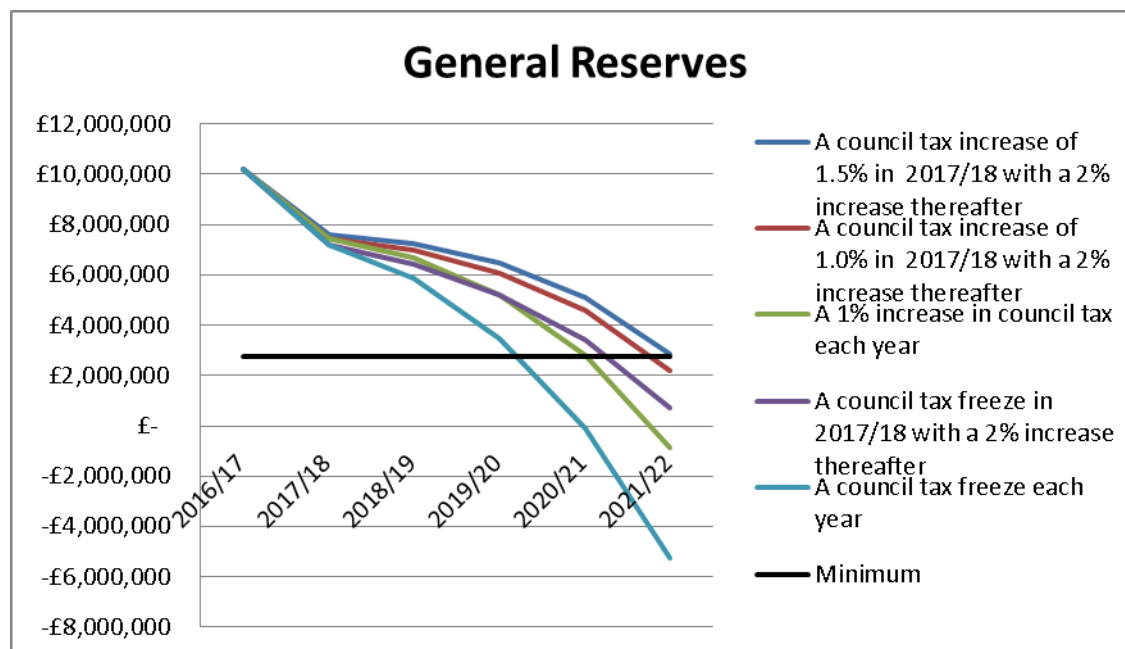
- A council tax increase of 1.5% in 2017/18, with a 2% increase thereafter
- A council tax increase of 1.0% in 2017/18, with a 2% increase thereafter
- A council tax freeze in 2017/18, with a 2% increase thereafter
- A 1% increase in council tax each year, including 2017/18
- A council tax freeze each year, including 2017/18

The following table sets out the funding shortfall anticipated each year:-

	2018/19	2019/20	2020/21	2021/22
A council tax increase of 1.5% in 2017/18 with a 2% increase thereafter	(£0.3m)	(£0.8m)	(£1.4m)	(£2.3m)
A council tax increase of 1.0% in 2017/18 with a 2% increase thereafter	(£0.5m)	(£0.9m)	(£1.5m)	(£2.4m)
A council tax freeze in 2017/18 with a 2% increase thereafter	(£0.8m)	(£1.2m)	(£1.8m)	(£2.7m)
A 1% increase in council tax each year	(£0.8m)	(£1.5m)	(£2.4m)	(£3.6m)
A council tax freeze each year	(£1.3m)	(£2.4m)	(£3.6m)	(£5.2m)

It must be stressed that there are a whole host of assumptions underpinning these projections, particularly around vacancy profiles, pension costs, future inflation, pay awards and funding beyond March 2020.

Assuming general reserves were used to balance the overall position each year this would deliver a sustainable position throughout the period based on a 2% increase in council tax each year, whereas reserves would run out in 2020/21 if council tax was frozen each year:-



However, it must be borne in mind that reserves will only be a short term solution, as eventually they will be fully utilised and the Authority will be left with a recurring funding gap. As such at some point the Authority will be required to make recurring savings to offset this gap, and as highlighted earlier the scope to do so is limited.

Summary Council Tax options 2017/18

In considering its council tax requirements for 2017/18 the Authority aims to balance the public's requirement for and expectations of our services with the cost of providing this. As such the revenue budget focuses on the need to:-

- deliver services as outlined in the Risk Management Plan and other plans;
- maintain future council tax increases at reasonable levels;
- continue to deliver efficiencies in line with targets;
- continue to invest in improvements in service delivery and facilities;
- set a robust budget that takes account of known and anticipated pressures;
- maintain an adequate level of reserves.

The draft budget as set out in this report achieves these objectives and based on the scenarios outlined the three council tax options for 2017/18 are:-

- Increase council tax by 1.47%, this results in a council tax of £66.46 for a band D property. From a financial perspective this is the most sustainable option as it maximises the level of precept in each year, and does not require any further

savings to be delivered in 2017/18. However, it has the biggest impact on the local council tax payer, albeit this still equates to an increase of just £0.96 per annum

- Increase council tax by 1.00%, this results in a council tax of £66.16 for a band D property. Under this option the budget needs to be reduced by £129k, which could be met by including an additional savings target into the budget to offset this. From a financial perspective this is less sustainable as under this option the Authority generates £0.1m less precept each year, and it needs to find additional savings. However it does offset some of the increase in council tax, limiting this to just £0.66 per annum, thereby reducing the impact on the local council tax payer.
- Freeze council tax at £65.50 for a band D property. Under this option the budget needs to be reduced by £409k, which could be met from an additional savings target of £96k plus the drawdown £313k of the LGPS pension surplus, spread over the agreed recovery period of 16 years. This option removes any impact on the local council tax payer, however it is the least sustainable from a financial perspective as under this option the Authority foregoes any increase in precept, and still needs to identify budget reductions. Furthermore utilising the LGPS surplus to offset recurring revenue expenditure will create further financial pressures in future years once the surplus is utilised, or if the LGPS funding position changes significantly at a future valuation.

The Treasurer believes all three options deliver a robust balanced budget whilst maintaining an adequate level of reserves in the medium term.

Attached as appendices 1, 2 and 3 are the detailed resolutions relating to each of these options.

Comments on the Draft Budget

At the time of writing the report only one responses to the budget consultation exercise had been received from the FBU and this is attached as Appendix 6.

Robustness of the Revenue Budget 2017/18

Under Section 25 of the Local Government Act 2003, the Chief Finance Officer is required to make a statement about the robustness of the budget.

The professional opinion of the Treasurer is that the budget has been prepared on a robust basis for the following reasons:

- The budget is reflective of existing service plans;
- The budget takes account of the anticipated on-going revenue impact of current and future capital programmes;
- The allowances included for inflation and pay awards represent a best estimate of the likely cost of this, at

	2017/18- 2019/20	2020/21- 2021/22
Uniformed Pay Award	1.0%	3.8%
Non Uniformed Pay Award	1.0%	3.8%
Non Pay Inflation	2.5%	2.5%

- As part of the budget setting process all estimates, including savings and income forecast, are assessed for reasonableness;
- The level of and appropriateness of reserves has been reviewed by the Treasurer, based on the potential risks faced by the Authority;
- Funding in 2017/18 is based on the draft Local Government Finance Settlement published in December.
- Funding in 2018/19 and 2019/20 is based on the agreed multi-year settlement included in the draft Local Government Finance Settlement published in December.
- Funding beyond 2020 is unknown however the Treasurer has assumed that this is frozen at 2019/20 levels, which appears to be a reasonable estimate.
- The situation in respect of future funding, and in particular any changes to future settlements arising from an economic slowdown or from changes to the Business Rates Retention Scheme will be kept under review and reported to the Authority in due course;
- The following significant financial risks have all been assessed and the Treasurer feels that these are adequately covered within the budget estimates presented or within the level of reserves currently held:-
 - Reductions in funding levels over and above those identified in the four year settlement;
 - Reduction in funding via Business Rates retention scheme;
 - Reduction in council tax funding due to changes in localisation of council tax support, reducing tax base and/or council tax referendum limits;
 - Higher than anticipated inflation;
 - Larger increases in future pensions costs/contributions;
 - Increase in costs arising from demand led pressures, i.e. increasing staff numbers, overtime due to spare conditions or major equipment replacement requirements;
 - Increase in costs associated with national projects i.e. ESMCP;
 - Slowdown in “leaver rates” resulting in increasing staff numbers;
 - Increased cost of partnership arrangements;
 - Inadequacy of insurance arrangements.

Summary and Conclusions

Whilst there is still a great deal of uncertainty surrounding the overall economy, and particularly the impact of Brexit, as well as the impact of moving to a revised funding scheme based on 100% retention of business rates, the confirmation of the multi-year settlement is welcomed, providing greater financial certainty and enhancing planning arrangements.

Government funding has continued to fall, but the pace and extent of this over the 4 year settlement is better than previously forecast, and whilst there still remains pressure to deliver savings and balance the budget, these are less severe than has previously been the case.

Given the changes previously made, and in particular the extent of savings delivered, this has enabled the Authority to “get ahead of the curve”, the Authority is now well placed to meet the financial challenges that it faces in the medium term, whilst balancing future council tax levels against the need for reinvestment to enhance effective service delivery.

Financial Implications

As outlined in the report.

Human Resource Implications

None.

Equality & Diversity Resource Implications

None.

Environmental Implications

None.

Business Risk

The final approved budget forms a key element of the Authority's risk management process, as it is designed to minimise any financial risks, which the Authority may face. The Treasurer is required to make a formal statement, as part of the final budget report, on the adequacy of reserves and the robustness of the budget.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact
Local Government Finance settlement	December 2016 & February 2017	K Mattinson, Director of Corporate Services
Capital Budget	February 2017	
Reserves Policy	February 2017	
Treasury Management Strategy	February 2017	

Resolution based on a council tax increase of 1.47%, £0.96, resulting in a council tax of £66.46

The Combined Fire Authority is requested to: -

1. note the Treasurer's advice on the robustness of the budget
2. note the Treasurer's advice on the appropriate level of reserves/balances
3. agree the budget requirement of £54.341m for 2017/18
4. note the assumed section 31 grant of £0.487m due in respect of business rate adjustments
5. note the assumed level of Revenue Support Grant £10.659m
6. note the assumed level of Business Rates Retention Top Up Funding £10.477m
7. note the assumed level of Local Business Rates Retention Funding £4.121m
8. note that any changes identified in the final local government settlement will be met by reducing the budget requirement, by either identifying additional savings or by drawing down reserves
9. note the business rate tax collection fund deficit of £0.177m
10. note the council tax collection fund surplus of £0.526m
11. agree the council tax requirement, calculated in accordance with Section 42A(4) of the Localism Act of £28.247m
12. note the council tax base of 425,026 determined for the purposes of Section 42B of the Local Government Finance Act 1992
13. agree a council tax band D equivalent of £66.46, an increase of £0.96 (1.47%), calculated by the Authority under Section 42B of the Local Government Finance Act 1992 agree, on the basis of the fixed ratios between valuation bands set by the Government, council tax for each band as follows:

Band A	£44.31
Band B	£51.69
Band C	£59.08
Band D	£66.46
Band E	£81.23
Band F	£96.00
Band G	£110.77
Band H	£132.92

14. agree, based on each district and unitary councils share of the total band D equivalent tax base of 425,026, the share of the total LCFA precept of £28.247m levied on each council as follows:

Blackburn With Darwen Borough Council	£2,253,754
Blackpool Borough Council	£2,370,097
Burnley Borough Council	£1,500,600
Chorley Borough Council	£2,388,150
Fylde Borough Council	£1,946,215
Hyndburn Borough Council	£1,342,293
Lancaster City Council	£2,678,338
Pendle Borough Council	£1,551,728
Preston City Council	£2,383,854
Ribble Valley Borough Council	£1,494,087
Rossendale Borough Council	£1,329,067
South Ribble Borough Council	£2,345,214
West Lancashire District Council	£2,285,573
Wyre Borough Council	£2,378,256
TOTAL	£28,247,226

Resolution based on a council tax increase of 1.00%, £0.66, resulting in a council tax of £66.16

The Combined Fire Authority is requested to: -

1. note the Treasurer's advice on the robustness of the budget
2. note the Treasurer's advice on the appropriate level of reserves/balances
3. agree the budget requirement of £54.214m for 2017/18
4. note the assumed section 31 grant of £0.487m due in respect of business rate adjustments
5. note the assumed level of Revenue Support Grant £10.659m
6. note the assumed level of Business Rates Retention Top Up Funding £10.477m
7. note the assumed level of Local Business Rates Retention Funding £4.121m
8. note that any changes identified in the final local government settlement will be met by reducing the budget requirement, by either identifying additional savings or by drawing down reserves
9. note the business rate tax collection fund deficit of £0.177m
10. note the council tax collection fund surplus of £0.526m
11. agree the council tax requirement, calculated in accordance with Section 42A(4) of the Localism Act of £28.120m
12. note the council tax base of 425,026 determined for the purposes of Section 42B of the Local Government Finance Act 1992
13. agree a council tax band D equivalent of £66.16, an increase of £0.66 (1.00%), calculated by the Authority under Section 42B of the Local Government Finance Act 1992 agree, on the basis of the fixed ratios between valuation bands set by the Government, council tax for each band as follows:

Band A	£44.11
Band B	£51.46
Band C	£58.81
Band D	£66.16
Band E	£80.86
Band F	£95.56
Band G	£110.27
Band H	£132.32

14. agree, based on each district and unitary councils share of the total band D equivalent tax base of 425,026, the share of the total LCFA precept of £28.120m levied on each council as follows:

Blackburn With Darwen Borough Council	£2,243,580
Blackpool Borough Council	£2,359,398
Burnley Borough Council	£1,493,827
Chorley Borough Council	£2,377,370
Fylde Borough Council	£1,937,429
Hyndburn Borough Council	£1,336,234
Lancaster City Council	£2,666,248
Pendle Borough Council	£1,544,724
Preston City Council	£2,373,093
Ribble Valley Borough Council	£1,487,343
Rosendale Borough Council	£1,323,068
South Ribble Borough Council	£2,334,628
West Lancashire District Council	£2,275,256
Wyre Borough Council	£2,367,520
TOTAL	£28,119,718

Resolution based on a council tax freeze maintaining council tax at £65.50

The Combined Fire Authority is requested to: -

1. note the Treasurer's advice on the robustness of the budget
2. note the Treasurer's advice on the appropriate level of reserves/balances
3. agree the budget requirement of £53.933m for 2017/18
4. note the assumed section 31 grant of £0.487m due in respect of business rate adjustments
5. note the assumed level of Revenue Support Grant £10.659m
6. note the assumed level of Business Rates Retention Top Up Funding £10.477m
7. note the assumed level of Local Business Rates Retention Funding £4.121m
8. note that any changes identified in the final local government settlement will be met by reducing the budget requirement, by either identifying additional savings or by drawing down reserves
9. note the business rate tax collection fund deficit of £0.177m
10. note the council tax collection fund surplus of £0.526m
11. agree the council tax requirement, calculated in accordance with Section 42A(4) of the Localism Act of £27.839m
12. note the council tax base of 425,026 determined for the purposes of Section 42B of the Local Government Finance Act 1992
13. agree a council tax band D equivalent of £65.50, a freeze, calculated by the Authority under Section 42B of the Local Government Finance Act 1992 agree, on the basis of the fixed ratios between valuation bands set by the Government, council tax for each band as follows

Band A	£43.67
Band B	£50.94
Band C	£58.22
Band D	£65.50
Band E	£80.06
Band F	£94.61
Band G	£109.17
Band H	£131.00

14. agree, based on each district and unitary councils share of the total band D equivalent tax base of 425,026, the share of the total LCFA precept of £27.839m levied on each council as follows:

Blackburn With Darwen Borough Council	£2,221,199
Blackpool Borough Council	£2,335,861
Burnley Borough Council	£1,478,925
Chorley Borough Council	£2,353,653
Fylde Borough Council	£1,918,102
Hyndburn Borough Council	£1,322,904
Lancaster City Council	£2,639,650
Pendle Borough Council	£1,529,314
Preston City Council	£2,349,420
Ribble Valley Borough Council	£1,472,506
Rosendale Borough Council	£1,309,869
South Ribble Borough Council	£2,311,338
West Lancashire District Council	£2,252,558
Wyre Borough Council	£2,343,902
TOTAL	£27,839,201

Analysis of Budget by Service Area

	2017/18 Budget £m	2018/19 Budget £m	2019/20 Budget £m	2020/21 Budget £m	2021/22 Budget £m
Central Admin Hub	0.378	0.382	0.387	0.401	0.416
Control	1.148	1.225	1.286	1.350	1.418
Corporate Communications	0.294	0.298	0.303	0.313	0.324
Executive Board	0.970	0.991	1.020	1.048	1.082
Finance	0.142	0.144	0.145	0.150	0.156
Fleet Services	2.257	2.307	2.360	2.425	2.492
Health & Safety	0.176	0.179	0.181	0.187	0.193
Human Resources	0.480	0.486	0.492	0.510	0.528
ICT	2.371	2.426	2.286	2.352	2.420
Occupational Health	0.249	0.254	0.259	0.266	0.274
Procurement	0.790	0.807	0.824	0.847	0.872
Property	1.271	1.302	1.334	1.372	1.410
Areas	31.128	31.318	32.266	33.366	34.808
Service Development	3.559	3.631	3.754	3.851	3.970
Special Projects	0.034	0.035	0.036	0.039	0.041
Training	3.641	3.635	3.557	3.652	3.762
Pensions Expenditure	1.172	1.234	1.251	1.278	1.305
Other Non-DFM Expenditure	4.283	4.114	4.225	4.274	4.304
Gross Budget Requirement	54.343	54.766	55.965	57.681	59.774

Analysis of Budget by Type of Expenditure

	2017/18 Budget £m	2018/19 Budget £m	2019/20 Budget £m	2020/21 Budget £m	2021/22 Budget £m
Employee					
Uniformed	33.469	33.594	34.445	35.538	37.007
Support staff	6.636	6.706	6.775	7.031	7.295
Pensions	1.172	1.234	1.251	1.278	1.305
Other Employee Related Exp	0.067	0.068	0.070	0.072	0.073
	41.345	41.602	42.542	43.918	45.680
Premises					
R&M	0.834	0.855	0.876	0.898	0.920
Utilities	0.562	0.576	0.591	0.606	0.621
Cleaning	0.285	0.292	0.299	0.306	0.314
PFI	0.650	0.666	0.683	0.699	0.707
Other	0.051	0.052	0.053	0.054	0.056
Rent/Rates	1.108	1.163	1.220	1.280	1.343
	3.490	3.604	3.722	3.844	3.961
Transport					
Repairs	0.643	0.659	0.675	0.692	0.709
Running Costs	0.373	0.383	0.392	0.402	0.412
Travel costs	0.641	0.657	0.674	0.690	0.708
insurance	0.160	0.164	0.169	0.173	0.177
Other	0.004	0.004	0.005	0.005	0.005
	1.822	1.868	1.914	1.962	2.011
Supplies & Services					
Hydrants	0.106	0.109	0.111	0.114	0.117
Operational equipment	0.546	0.560	0.573	0.587	0.602
Clothing & Uniform	0.474	0.485	0.496	0.508	0.520
Printing, stationery, postage	0.228	0.233	0.239	0.245	0.251
Comms-Network Costs	1.040	1.066	0.680	0.697	0.714
Telephony	0.169	0.174	0.178	0.183	0.187
Computers	0.865	0.886	0.909	0.931	0.955
Subsistence	0.069	0.071	0.073	0.074	0.076
Fire Safety Expenses	0.260	0.266	0.273	0.280	0.287
Training Expenses	0.656	0.672	0.689	0.706	0.724
insurance	0.318	0.324	0.329	0.335	0.341
Members Expenses	0.156	0.160	0.164	0.168	0.172
Misc Equipment	0.092	0.094	0.097	0.099	0.101
Other	1.723	1.796	1.869	1.945	2.025
Catering	0.102	0.105	0.107	0.110	0.113
PTV Residential	0.089	0.091	0.093	0.095	0.098
	6.892	7.091	6.880	7.077	7.281
Other					
Contracted Services	0.792	0.813	0.833	0.854	0.876
Other	0.004	0.004	0.004	0.004	0.004
	0.796	0.816	0.837	0.858	0.879
Capital Financing Costs					
Capital Financing Costs	2.303	2.040	2.027	2.027	2.027
	2.303	2.040	2.027	2.027	2.027
Income					
Income	(2.305)	(2.254)	(1.957)	(2.006)	(2.066)
	(2.305)	(2.254)	(1.957)	(2.006)	(2.066)
Grand Total	54.343	54.766	55.965	57.681	59.774



Fire Brigades Union

Region Five

Lancashire



Brigade Secretary: Ian McGill

Brigade Chair: Kevin Wilkie

Fire Brigades Union Office, Fire Service Training Centre, Washington Hall, Euxton,
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LANCASHIRE COMBINED FIRE AUTHORITY BUDGET CONSULTATION

The Fire Brigades Union in Lancashire recognise that Lancashire Combined Fire Authority is in a better position than most to deal with the continued underfunding of the Fire & Rescue Service by central government. The operational front line has been cut vastly over the past 10 years or so, with swathes of our members now working an 84-hour week. It is hoped that no more Grey Book posts will be lost to efficiency savings due to this governments underfunding.

Capital Budget – Points to note

Vehicles - The Fire Brigades Union welcomes the continued investment in the vehicle, building and IT replacement programs. We agree with the ‘*smoothing out*’ of vehicle replacement as a common sense measure. Particularly important, we feel, is the replacement of the two Mobile Fire Stations / Incident Command Units over the next couple of years. Incident command is vital to firefighter safety and it is imperative that LFRS take this opportunity to learn from past mistakes, by ensure that not only is the latest Information and Communications Technology, hardware and software, incorporated into the vehicles but also to ensure the correct vehicle body is purchased in the first instance. We feel it is important that LFRS utilise competent ICU users from C52 Fulwood and E71 Blackburn by offering representation on the replacement project team.

Operational Equipment - We support the replacement of BA ancillary equipment such as radios, TIC’s and Telemetry equipment. We feel it is vitally important to get this right by understanding the lessons to be learned from previous investigation reports into firefighter fatalities.

Buildings – Subject to the outcomes of the next Emergency Cover Review, we support the potential replacement of Preston fire station, which is looking tired. We would encourage LFRS to engage with staff by involving them in the design planning of the new station at the earliest opportunity.

Revenue Budget – The FBU note the following;

The FBU reluctantly support a 2% increase in Council Tax and welcome the scope to *“utilise £4.7m reserves that could be used to meet the funding gap across the remainder of the four-year settlement period, up to 31/3/2020”* as a way of offsetting and lessening the impact of Central Government cuts.

Yours Sincerely

Ian McGill
FBU Brigade Secretary

LANCASHIRE COMBINED FIRE AUTHORITY

Meeting to be held on Monday, 20 February 2017

MEMBER CHAMPION ACTIVITY – QUARTERLY REPORT

Contact for further information:

DCFO Justin Johnston – Tel: 01772 866801

Executive Summary

This paper provides a report on the work of the period up to January 2017.

Recommendation

The Authority is requested to note the report and acknowledge the work of the respective Champions.

Information

In December 2007, the Authority introduced the 'Champion' role and allocated a notional budget per member in respect of four subject areas. These positions are currently filled by:

- Equality and Diversity – Councillor Terry Aldridge
- Older People – County Councillor Mark Perks
- Environment – County Councillor Ken Brown
- Road Safety – Councillor Fred Jackson

Reports relating to the activity of the Member Champions are provided on a quarterly basis to the Authority. This report relates to activity for the period up to January 2017.

During this period, all have undertaken their respective role in accordance with the defined terms of reference. Their activity to date:

Equality and Diversity – County Councillor Terry Aldridge

Positive Action in recruitment

As we embark on a wholetime recruitment process during 2017, we have delivered an integrated positive action recruitment campaign aimed at attracting under-represented groups to join our workforce. This has involved visiting a range of different communities across Lancashire to talk about working for Lancashire Fire and Rescue Service (LFRS). Within February we will be offering people the opportunity to come and "Have A Go" and learn more about the range of career opportunities which are available at our "Have a Go" days delivered from a number of our Stations.

Action plan demonstrating compliance with the Equality Duty

As a public body LFRS is required to publish information which demonstrates our compliance with the Equality Duty. We do this by the publication of an annual report which includes:

- Our corporate planning and policy approach to equality and diversity.
- The composition and profile of our workforce.
- An over view of activities which promote equality of opportunity or which is focused on reducing the risk to or meeting the needs of specific underrepresented groups.
- We also publish an action plan which details progress against our Equality Objectives.

Equality Objectives

As a public body we are required to set equality objectives, which are subject to review at least every 4 years, as part of the development of our IRMP we have agreed the following equality objectives:

How we work with communities:

- Support local business to reduce the risk of fire and remain compliant within fire safety legislation.
- Reduce the number and impact of fire and other emergencies to our diverse communities across Lancashire.
- Develop and deliver a Prevention Service targeting our most vulnerable communities.

Our Workforce:

- Promote equality in our workforce policies and working practices.
- Develop our staff to ensure they can respond competently meeting the different needs of our diverse communities.

Older People – County Councillor Mark Perks

The Age Safe Task Group continues to develop and a number of actions have been identified for the group including:-

- The identification of preferred partners for Safe and Well Visits;
- The development and Older People's Day template/model for use across the whole Service;
- The review of existing Older People's services that we currently provide;
- The review of LFRS attendance at strategic Older People's meeting.

A Dementia Task Group has also now been set up to ensure a consistent approach to all Dementia Activities across LFRS. The group is led by Jane Williams (Prevention Support Manager) and has representation from all the 6 areas. The actions for the group have been agreed as:-

- Identification of a Dementia Lead in each area to be a single point of contact for any dementia enquiries within area – this has now been completed and the Dementia Leads were introduced at the Prevention Seminar for all CFS staff on 13th January.

- Expansion of the Dementia Buddies scheme – this has been piloted in Northern area and funding has been secured for 500 devices to be purchased which will be provided during a Safe and Well Visit if the need is identified. The Dementia Leads register all the devices for their area and are responsible for monitoring and managing them.
- The Dementia Safety Prompt stickers have now been distributed to each area for distribution via a Safe and Well Visit. Further supplies are still available via the Dementia Leads.
- Attendance at the Dementia Action Alliances – there are a number of these multi-agency partnerships across the county and LFRS staff are representing the service to ensure consistency with other partners in their area/district.
- Dementia Friends Sessions – continue to be promoted to encourage all LFRS to become a Dementia Friend. The Dementia Champions can deliver the sessions across area and have also recently included the Fire Cadets and a number of community groups.

Preesall Fire Cadets being presented with their Dementia Friends badges and certificates.



A Dementia Coffee Morning was held at Preesall Fire Station on Saturday 14 January to invite the local community to come and find out more about Dementia.

Road Safety – Councillor Fred Jackson

Safe Drive Stay Alive

Since the last report the Safe Drive Stay Alive (SDSA) multi-agencies Road Safety Team have delivered the presentations at the following locations:

- **Park Hall Wednesday 9th and Thursday 10th November**
Delivered to 1156 students from Runshaw College, West Lancs College, Hutton Grammar, Lytham 6th Form and Fulwood Academy.
- **Burnley Mechanics Tuesday 22nd November and Thursday 24th November**
Delivered to 1980 students from Burnley College, Training 2000, Myerscough at Witton Park, Todmorden High and Alder Grange Sixth Form.

- **Weeton Barracks 15th December**
Delivered to 250 soldiers prior to their Christmas Leave
- **Preston College 17th January**
Delivered to 600 students from Preston College.

SDSA seems to be going from strength to strength and funding has been secured through the partnership to continue delivery for the next twelve months.

Thematic Road Safety Group

GM Crook chaired the second Road Safety Thematic group meeting at Service HQ on Friday 6th January. Councillor Fred Jackson was in attendance at the meeting where he expressed his continued support as the Road Safety Champion.

All Road Safety reference holders have now completed the Road Safety GB Foundation course and are now certified to deliver road safety education.

Lancashire Road Safety Partnership Operations Group

(Formerly Lancashire Partnership for Road Safety Management Board)

The operations group held a meeting/workshop on Tuesday 24th January at Police HQ Hutton. The meeting was very well attended with partners being tasked to produce a document on what they are currently delivering within the Road Safety arena. Due to different districts having different risks, it was decided to form sub partnership groups to focus on all the demographics around road safety with an attempt to ensure all risks are receiving attention utilising the 4 E's - Engineering, Enforcement, Engagement and Education.

Visit to Kent Fire and rescue Services Road Safety Experience Centre

On January 11th and 12th eight members of the Lancashire Road Safety Partnership Operations group travelled to Kent to visit a dedicated Road Safety Centre that Kent Fire and Rescue Service had recently opened to deliver Road Safety Education to children and young people. The visit was hosted by the Assistant Chief Fire Officer Sean Bone-Knell and covered the building costs, its design and use, barriers faced and the staffing model used. The aim is to deliver key messages of holistic road safety and provide all road safety education including speed awareness courses and driver training courses. The second day included a RTC demonstration.

Environment – County Councillor Ken Brown

A review of waste bin receptacles was completed in early 2016 to provide a generic system for the management of waste. The CFA Environmental Champion supported the introduction of new waste bins for recycling and residual waste (commonly known as general waste) on all premises. Over the past year this has resulted in a 6% reduction of total waste, residual waste being reduced by 12% and recycling waste increasing by 9%.

LANCASHIRE COMBINED FIRE AUTHORITY

Meeting to be held on Monday 20 February 2017

FIRE PROTECTION REPORTS

Contact for further information:

Deputy Chief Fire Officer Justin Johnston – Tel. 01772 866801

Executive Summary

This report deals with prosecutions in respect of fire safety management failures and arson incidents within the period 1 December 2016 to 1 February 2017.

In addition, Fire Protection and Business Support Information is included in the report.

Recommendation

The Authority is asked to note the report.

FIRE SAFETY CONVICTIONS

Prosecutions under the regulatory reform (fire safety) order 2005

Lancashire Fire and Rescue Service (LFRS) successfully completed two prosecutions during the period, one of which is subject to an appeal.

HMO 143 Manchester Road, Burnley

This Prosecution was a result of an inspection in 2014 at 143 Manchester Road, Burnley, BB11 4HT by Fire Safety Officers and Local Authority (LA) housing department officers, supported by Police and Community Support Officers. The premises consist of basement and three floors that were being used as a House in Multiple Occupation (HMO), sleeping accommodation.

During the course of the visit the premises was found to be occupied by twelve young French students and two French carers placed there by the Embrace Cooperation Ltd.

The premises itself contained a number of breaches of Fire Safety Legislation and lack of general fire precautions that placed the occupants at risk of death or serious injury.

A full day's trial took place on the 27 January 2017 at Burnley Magistrates Court at which, both LFRS and LA Officers gave evidence in cross examination.

The Leaseholders, Embrace Cooperation Ltd pleaded guilty to six charges and the Owner/Landlord of the premises, Dr Muhammad Jehangir Khan Bhatti was found guilty of four offences, by the District Judge, for serious breaches of fire safety regulations, brought under the Regulatory Reform (Fire Safety) Order 2005.

Of particular concern was the fact that a professional landlord, who had previously been informed by the Local Authority housing department, that the premises was unsuitable for use as a HMO, advertised and leased the premises, with inadequate fire safety provision, knowing it was to be used as a multi occupied premises.

Also of concern was that a large UK company, who should be fully aware of its responsibility to ensure adequate fire safety provision, allowed unsuitable premises to be used for sleeping accommodation.

The case highlights the importance for Landlords and Leaseholders to ensure that their lease agreements clearly identify the person responsible for the provision and maintenance of a premises functional and structural Fire Safety and who is required to ensure the premises is fit for purpose and not a risk of death or serious injury to occupants.

Dr Muhammad Jehangir Khan Bhatti and the Embrace Cooperation Ltd will appear for sentencing at Burnley Magistrates Court on the 10 February 2017.

Broadclough Mill, Burnley Road, Bacup

Mr Laurence Daw, the Landlord of Broadclough Mill appeared before Burnley Magistrates Court on the 11 November 2016 for trial after pleading not guilty to the single charge brought under the Regulatory Reform (Fire Safety) Order 2005.

Magistrates found for the prosecution and Mr Laurence Daw was awarded a fine of £2000, ordered to pay Lancashire Fire and Rescue Service prosecution costs of £2600 and a victim surcharge of £400 giving an overall total of £5000.

Mr Daw has lodged an appeal which will be heard on 27 April 2017.

FIRE PROTECTION & BUSINESS SUPPORT INFORMATION

Primary Authority Scheme

LFRS has signed a further two Primary Authority Partnerships:

- Amber Taverns Ltd, based in Blackpool and have 120 Public Houses across the North west, North East, Midlands and Wales;
- EH Booths & Co Ltd are based in Preston and have 28 stores across the North West.

When the Regulatory Delivery Office complete final checks of the agreements, LFRS as their Primary Authority will work together with their partners to provide advice and guidance and further improve their premises fire safety provision, procedures and management.

Business Safety

LFRS Business Safety Advisors (BSA's) have been working with Police and Local Authority licensing departments after visits to several licenced premises raised concerns due to various levels of non-compliance.

The responsible persons were provided advice and detailed reports showing the works needed to bring their premises to an acceptable licensing and fire safety standard.

Joint inspections are planned to target licenced food outlets with low food/hygiene ratings.

A Business Forum at Heysham Golf Club was hosted by Business View and was attended by Local Businesses from Lancaster and Morecambe districts. The BSA established links with local business owners, provided fire safety/contingency planning advice as well as local Fire Safety contacts and links to the LFRS business support website.

Shop safe campaign - 15 December 2016 targeted St George's and Fishergate Shopping Centre's in Preston due to stock storage issues that have occurred during previous Christmas shopping periods.

The overall standard was good, with escape routes maintained and extra stock suitably managed, and responsible persons provided with additional Fire Safety advice.

Post Fire Inspection - Following a serious fire at a scrap yard in East Lancashire a Hot Strike was undertaken with visits to similar premises within Southern Area to provide advice and guidance to owners to reduce the risk of further incidents.

North West Ambulance Service (NWAS) – met with BSA's to launch the new recording system regarding AED (Automatic Electronic Defibrillator) within the work place. This is to assist NWAS in mapping where the nearest AED is to any member of the public who may require it in the event of a cardiac episode.

During a visit to any commercial business, information will be collected and a return will be sent to NWAS. The information can then be readily available and relayed to any First Aider while the Ambulance crew are dispatched.

ARSON CONVICTIONS

R v James McGrady

Holden Fold, Darwen

This incident involved the deliberate ignition of an outhouse adjacent to the house which was occupied at the time. The Police arrested Mr McGrady at the scene. A full fire investigation was carried out to discount any accidental ignition sources in particular an electrical fault. A full fire report was submitted with LFRS staff being called to present evidence at Crown Court. Mr McGrady entered a guilty plea 5 days prior to the full trial due to the weight of evidence against him. Mr McGrady was sentenced to 3 years and 4 months imprisonment for arson reckless as to whether life endangered.

R v Mark Grimbaldeston

Bolton Rd, Blackburn

This incident involved the deliberate ignition of some clothing and some books in the ground floor lounge whilst his partner was asleep in bed. Mr Grimbaldeston had set the fire then left the property. A taxi driver who had dropped the couple off earlier in the evening returned via the address following dropping another fare in the area. He told the Police that Mr Grimbaldeston and his partner had been arguing quite badly as he dropped them off earlier and he was quite concerned. When he got to the address he noticed the door open and the fire in the lounge. He ran upstairs and led a female to safety. She then returned into the house and was led out again by Fire Service personnel upon their arrival. A full fire investigation was carried out with reports being submitted to the Police. Mr Grimbaldeston pleaded guilty prior to trial and was sentenced to 6 years and 5 months for arson with intent to endanger life.

(This incident was filmed by the BBC who were following the Police on incidents and it will appear soon on TV).

R v Youth defendant 1 and youth defendant 2 *(due to a press embargo set by the Judge, the defendants cannot be named).*

Albert Rd, Morecambe

This incident involved a double fronted toy shop with living accommodation above. A couple of weeks prior to the fire, the 80 year old shop owner had refused to sell a BB gun to some youths and asked them to leave his shop. These youths broke into the shop via a rear door and stole some goods including a BB gun. Upon exiting the shop 2 separate fires were set whilst the owner was in his flat above. Due to neighbours alerting him, he was able to escape via the shop before it became heavily involved in fire. A multi agency investigation was carried out with a full written fire investigation report being submitted to the police. Two of the three youths that had been in the shop were charged with arson reckless as to whether life endangered and burglary.

Originally LFRS evidence was accepted by both defence and prosecution, but when it came to the trial our Officer was requested to present evidence to clarify a few questions that the defence barristers had and to help the Magistrates in the Youth Court understand how a deliberate conclusion had been reached. Unusually a laptop and projector was utilised by our investigating Officer to present the evidence. By using this IT technology, it was easier to explain everything with some clarity which also negated any cross examination as every point was covered in the presentation.

The following day, defendant 1 admitted to being the one that set the fires.

Defendant 1 (aged 15) was sentenced on two accounts of arson, burglary and theft to 30 months imprisonment in a young offender's institution. The Judge summarised that if defendant 1 had been an adult, he would have been sentenced to at least 10 years imprisonment.

Defendant 2 was sentenced at Crown Court with a Youth referral Order for 9 months, under curfew with a tag for 8 weeks between 22:00 – 07:00 hours, Supervised by probation for 9 months and a £15 surcharge.

Business Risk

Moderate – Members need to be aware of prosecutions related to fire safety activity and/or arson within Lancashire in order to satisfy themselves that the required robust approach is being pursued.

Environmental Impact

None

Equality and Diversity Implications

None

HR Implications

None

Financial Implications

None

**Local Government (Access to Information) Act 1985
List of Background Papers**

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

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LANCASHIRE COMBINED FIRE AUTHORITY
Meeting to be held on Monday 20 February 2017

COMMUNITY FIRE SAFETY REPORTS
(Appendix 1 refers)

Contact for further information:
Assistant Chief Fire Officer David Russel, Director of Service Delivery – Tel 01772
866801

Executive Summary

Reports in relation to the 2 Unitary and 12 District Authorities are attached containing information relating to:-

- Community Safety activity;
- Incidents of Operational interest.

Recommendation

The Authority is asked to note the report.

Information

Included as Appendix 1 are reports for the two unitary and twelve district authorities in relation to:

- Community Safety initiatives;
- Incidents of Operational interest.

Business Risk:

None

Environmental Impact:

Potential impact on local environment

Equality and Diversity implications:

None

Financial Implications:

None

HR Implications:

None

Local Government (Access to Information) Act 1985
List of Background Papers

Paper	Date	Contact
Information from LFRS Management Info Systems	December 2016 – January 2017	David Russel
Information received from area based staff	December 2016 – January 2017	David Russel
Reason for inclusion in Part II, if appropriate:		

LANCASHIRE FIRE AND RESCUE SERVICE
COMMUNITY SAFETY REPORT

REPORTING PERIOD: DECEMBER 2016 – JANUARY 2017

SUMMARY REPORT FOR:

BLACKBURN-WITH-DARWEN

LOCAL COMMUNITY SAFETY ACTIVITIES (brief details)

Madrassah Workshops

Following on from the previous quarter, requests for Lancashire Fire and Rescue Service to visits local Madrassahs has been expanded. This has resulted in a number of visits and workshops, which have been arranged at short notice - to deliver the Borough's "keep young people in town safe" campaign. Thanks also to the Lancashire Road Safety Partnership for funding the extra high visibility jackets, which each of the young people received.

Darwen Fire Cadets

Darwen Fire Cadets proudly represented the Borough for the first time at the annual Fire Service carol concert held at Blackburn Cathedral. All Cadets attended in full uniform alongside their operational leads from Darwen Fire Station. The Cadets undertook collection duties as well as meeting dignitaries from throughout the County.

INCIDENTS OF OPERATIONAL INTEREST (brief details)

Incident: Domestic Fire
Date: 18 January 2017
Time of Call: 15:01

Lancashire Fire and Rescue Service attended an incident involving a Bedroom on Laxey Road in Blackburn. On arrival, the two occupants had evacuated. The first floor bedroom was on fire and two breathing apparatus wearers entered the property to locate the origin of the fire. Approximately two square metres of flooring and joists, along with curtains and blinds were identified as being involved in fire.

On investigation, a youth admitted to igniting a curtain to see what would happen and did not expect the curtain to ignite so rapidly. The youth called his mother who was downstairs. The occupant pulled the curtain down and laid wet towels on to the burning objects. This event had happened the previous night at approximately 20:00 hours but unfortunately the fire smouldered through the night until the following day when the fire had increased. Firefighters used breathing apparatus, hose reel jets, thermal imaging cameras and ventilation units to extinguish fire and remove smoke from the property. Power saws were used to cut away the flooring that had been affected. Due to the condition of the property, contact was made with Blackburn with Darwen Council who offered support to the resident. On return to station, an email was sent to Blackburn Community Fire Station, Community Fire Safety Department with a FIRES Referral. Blackburn Community Fire Safety Department are currently dealing with this request and will shortly be engaging with the family in order to address any issues around the cause of the fire.

Incident: Fire involving Loose Clothing
Date: 11 January 2017
Time of Call: Reported to LFRS as 'Late Fire Call' on 13 January 2017

A fire occurred in the Audley area of Blackburn, where a 77 year old lady's headscarf caught fire while she was cooking. The fire resulted in burns to her head and shoulders. She was subsequently taken to Wythenshawe Hospital for treatment and is expected to be discharged in a couple of weeks.

LFRS has been delivering a 'Loose Clothing' campaign utilising social media, case study video, and a large number of talks which have taken place in mosques / schools.

LANCASHIRE FIRE AND RESCUE SERVICE

COMMUNITY SAFETY REPORT

REPORTING PERIOD: DECEMBER 2016 – JANUARY 2017

SUMMARY REPORT FOR:**BLACKPOOL****LOCAL COMMUNITY SAFETY ACTIVITIES (brief details)****Breakfast with Santa**

On Saturday, 24th December the operational fire crews, Lancashire Fire and Rescue staff, Community Fire Safety Team Members and Blackpool Fire Cadets hosted "Breakfast with Santa" at Western Area Headquarters. The event not only provided a fun filled, memorable occasion for young children and an excellent start to Christmas, but raised the grand total of £654.50 for the Macmillan Cancer Charity.

The fire crews prepared and served breakfast, over three sittings, to the children who were then escorted through to the station lounge to watch an entertainer. Santa then made a grand entrance aboard a fire engine with his presence announced by "blue lights" and a siren. The children were then escorted to meet Santa in his "Grotto" where they all received a Christmas present.

**Selective/Additional Licencing**

Blackpool Community Fire Safety Advisors have embarked on a programme of Additional and Selective Licencing in the Central Area of Blackpool. The initiative is Council driven and is a collaboration between Community Fire Safety, Fire Safety Enforcement, the Police, Housing Enforcement, Environmental Protection and the Peoples Team. The teams visit an agreed programme of privately rented properties on a weekly basis with the intention of identifying any actions for the landlords and to enhance the safety and wellbeing of the tenants within the properties visited. The visits facilitate the improvement of both safety and living standards, the raising of any local neighbourhood concerns and the opportunity for any residents to access local services. Fire Safety Enforcement Officers are able to work with landlords to provide advice and education in terms of "Protection" and Community Safety Advisors are able to install smoke detection and offer home fire safety advice for "Prevention" purposes. Community Safety Teams have completed a total of 260 Home Fire Safety Checks in the area since September.

INCIDENTS OF OPERATIONAL INTEREST (brief details)

Incident: Domestic Fire
Date: 21 December 2016
Time of Call: 10:47

Operational fire crews from South Shore Fire Station were called to an incident in the Moore Street area of Blackpool. When crews arrived, the fire - which started in a ground floor - was already established. A settee and carpet were completely destroyed by fire and the flat was severely damaged by the smoke. The smoke had spread to the bathroom and the hallway, both of which sustained moderate damage. The fire, heat and smoke were however contained to the flat and first floor communal hallway with no damage to the surrounding properties.

The fire had originated in the settee when a tea light candle had been knocked over accidentally. The occupier was treated for smoke inhalation by North West Ambulance Service (NWAS) at the scene. The occupier was then conveyed to hospital as a precautionary measure. The incident has raised a number of concerns around the general safety and wellbeing of the occupier. Our Community Safety Advisors have been proactive in initiating multiagency collaboration and partnership working in order to support the individual involved. Meetings have taken place between Social Services, Housing and Support Services to determine the most appropriate approach.

LANCASHIRE FIRE AND RESCUE SERVICE
COMMUNITY SAFETY REPORT

REPORTING PERIOD: DECEMBER 2016 – JANUARY 2017

SUMMARY REPORT FOR:

BURNLEY

LOCAL COMMUNITY SAFETY ACTIVITIES (brief details)

Loose Clothing Conference

On Wednesday, 21 December 2016, Burnley Fire Station hosted a Loose Clothing Conference in partnership with a local Madrassa. There were approximately 40 attendees from the Madrassa. Pennine Area has seen an increase in incidents involving loose clothing and this conference was organised following a number of serious incidents in the last year that have involved women from within the Asian community.

During the conference, Firefighters and Community Safety Advisors were using case studies and utilising bespoke campaign material that had been produced by Corporate Communications, urging the attendees to remain vigilant about the dangers that living flame heat sources and cookers pose to people wearing loose fitting clothing.

A member of the Madrassa had prepared a presentation through liaison with a Community Safety Advisor and delivered it to the attendees. This proved to be a powerful way of getting the key safety messages across. Social media was also utilised in order to raise the profile of this campaign to a much wider audience, and based upon the feedback and retweets, it was very successful.

A Firefighter has been heavily involved with raising awareness of the issue in his local area of Nelson and had this to say: *"We really need people to listen and most importantly share these messages with their family and friends. These fires can happen so quickly and have such devastating consequences that we want as many people as possible to be aware of the risks and to have an understanding of what to do if they see someone's clothing ignite. We need to prevent these types of injuries occurring and minimise such tragedies from the devastation and lifelong changes afterwards"*.

The Madrassa are keen to attend the fire station again to learn more about our prevention messages and have pledged to act as Lancashire Fire and Rescue ambassadors within their local communities.

INCIDENTS OF OPERATIONAL INTEREST (brief details)

Incident: Commercial Fire, Burnley
Date: 31 December 2016
Time of Call: 04:20

North West Fire Control received calls of a fire involving the roof of a town centre restaurant in Burnley. The fire had been seen from the Police CCTV operational room and calls were also received from the one of the occupants, stating that her husband was still in premises. Due to the incident being a person reported incident, three fire appliances were mobilised from Burnley and Nelson fire stations. When the first appliance arrived, they quickly confirmed that everybody was out of the premises; however, they had to deal with a rapidly

developing fire within the kitchen area of the restaurant, which was in danger of spreading. An aerial ladder platform was requested to deal with the fire in the roof area and four breathing apparatus wearers were committed to the ground floor kitchen to fight the fire offensively. The crews dealt with the fire in the kitchen but there was still a risk of fire spread because the fire had involved the ducting system within the restaurant. Crews were deployed to the rear of the premises to fight the fire externally, while the aerial ladder was deployed to fight the fire within the roof. During the incident, the Incident Commander liaised with the Police regarding a request for the closure of several town centre roads whilst the incident was dealt with.

Post fire, an Incident Intelligent Officer (IIO) was requested to offer support and guidance to the Incident Commander whilst the fire investigation was undertaken. During the post fire investigation, several areas of concern were identified regarding fire safety issues within the premises. Information was gathered and an investigation carried out to gather evidence which would be handed over to the Fire Safety Enforcement (FSE) department. Since the fire, the restaurant has had a post fire visit from FSE staff to address the issues which were identified.

LANCASHIRE FIRE AND RESCUE SERVICE
COMMUNITY SAFETY REPORT

REPORTING PERIOD: DECEMBER 2016 – JANUARY 2017

SUMMARY REPORT FOR:

CHORLEY

LOCAL COMMUNITY SAFETY ACTIVITIES (brief details)

Wasted Lives – Shaftesbury School (Pupil Referral Unit)

Shaftesbury Short Stay School contacted Chorley Fire Station following an incident where two of their pupils were seriously injured and hospitalised in an off-road bike incident. The Community Fire Safety (CFS) team delivered two full days of 'Wasted Lives' input to years 9, 10 and 11. On the first day, Matthew Alston's car was taken and all pupils had a session explaining the circumstances around his death. Due to the age of the pupils, a large emphasis was placed 'who are you getting in a car with?' The second session was classroom based and activities included group work, video clips, discussion around the same topics and reinforcement of the messages learned from the first session.

Friends For You Launch

A new service, 'Friends for You' was launched in Chorley in December at Chorley Town Hall. The service had been developed as social isolation had been identified as being a big issue in Chorley and by befriending people, this could help to reduce depression, get people out of their home environment and make people feel as though they had a purpose. The Friends For You staff explained the process of how people are trained as a volunteer and how they are matched with a service user. As well as this being beneficial for service users, there were some volunteers there who spoke about how volunteering was beneficial to their lives. The CFS team had a fire safety stand in the market place and spoke to volunteers and service users about the home fire safety check (HFSC) service and how referrals can be made.

INCIDENTS OF OPERATIONAL INTEREST (brief details)

Incident: Primary Fire
Date: 11 December 2016
Time of Call: 17:32

One appliance from Chorley and two from Greater Manchester were called to an incident at a house where an elderly lady had accidentally set her own clothing on fire by coming into contact with a gas stove in the kitchen. The lady received significant burns to her abdomen and neck and her husband received superficial burns to both hands when trying to assist her in removing her burning clothing. Both casualties were conveyed to hospital by road ambulance. Other than the injuries caused, the only damage was to the items of clothing worn by the female casualty at the time of the incident. No damage was caused to this property or any other by heat, flame or smoke. The lady was released from hospital on 11 January and is recovering well.

LANCASHIRE FIRE AND RESCUE SERVICE
COMMUNITY SAFETY REPORT

REPORTING PERIOD: DECEMBER 2016 – JANUARY 2017

SUMMARY REPORT FOR:	FYLDE
LOCAL COMMUNITY SAFETY ACTIVITIES (brief details)	
<p><u>Community Groups</u></p> <p>Fylde Fire crews are extremely proactive in raising the awareness of Dementia and have networked to collaborate and develop partnerships across both the St. Anne's and Lytham areas. The Firefighters are continuing to pursue these leads and are taking positive action to enhance the lives of vulnerable residents within the community.</p> <p>Firefighters, along with the Station Manager at St. Anne's station, have worked towards developing the station as a "Community Asset". Work has taken place to reconfigure certain aspects of the premises in order to welcome groups into the station and to facilitate community activities. This has been adopted with great success by the Alzheimer's Society. They have already visited the station and are now using the premises as a base to host regular group sessions and activities for their service users.</p> <p>This opportunity is also being offered to another group, Just Friends, which tackles social isolation and provides a valuable source of comfort to many vulnerable people within the community.</p> <p><u>ESCAYPs</u></p> <p>A Community Fire Safety Advisor and Kirkham based PCSO are delivering another successful programme of the Escayps Course. Escayps is now in its seventh year and comprises a six week programme with a cohort of six individuals who are recruited onto each scheme. Each cohort looks to recruit two individuals that are known offenders, two individuals that are potential offenders or at risk of offending and two individuals who do not appear to have any concerns at all.</p> <p>The initiative is led by the Police, with sessions hosted by Lancashire Fire and Rescue Service at both Wesham and Lytham Fire Stations. The Police recruit all participants and referrals are received from Social Services, local schools, Families in Need Teams and the Police themselves.</p> <p>Sessions are action packed and cover a comprehensive tour of the fire station, fire safety in the home, health and safety, the dangers of drug and alcohol abuse, first aid, road traffic collision awareness and an insight into the Police and other services. The course culminates with a presentation evening for the participants and their families.</p> <p>To date the course is extremely successful with ninety eight percent of candidates failing to reoffend.</p>	

INCIDENTS OF OPERATIONAL INTEREST (brief details)

Incident: Commercial Fire
Date: 28 December 2016
Time of Call: 18:36

On Wednesday, 28 December 2016, two fire appliances from St Anne's were called out to investigate a smell of smoke. The smoke was allegedly originating from the Salvation Army building on St Anne's Rd West, St Anne's. When the operational fire crews arrived, there was initially no sign of any fire at all. The crews proceeded to investigate the purported smell of smoke and discovered that there was in fact visible smoke in the neighbouring premises which was identified as a Barnardo's shop.

The crews acted swiftly in order to assess the situation. Wearing breathing apparatus and using a hose reel and thermal imaging equipment, they quickly gained access to the Barnardo's property and made an evaluation. Properties surrounding the building were evacuated and the initial Incident Commander requested additional appliances be deployed to the scene as it quickly became apparent that assistance would be needed to extinguish the fire.

Visibility was initially low and this rapidly became worse. The initial breathing apparatus team were able to establish that the fire was in the basement area of the property and they asked for a supporting jet before proceeding further. When the breathing apparatus teams started entry procedures at the entrance door of the cellar they discovered a fully developed fire. Smoke from the cellar buffeted out of the shop and the decision to withdraw crews from the risk area was made. Shortly after operational crews had withdrawn the ground floor of the shop collapsed into the cellar.

It took several hours for Firefighters to bring the fire under control. At the height of the fire there were eight operational fire appliances at the incident helping to extinguish the fire and prevent it from spreading to neighbouring properties. Fortunately there was nobody injured as a result of this incident. However, the shop itself was severely damaged by the fire, heat and smoke.

LANCASHIRE FIRE AND RESCUE SERVICE
COMMUNITY SAFETY REPORT

REPORTING PERIOD: DECEMBER 2016 – JANUARY 2017

SUMMARY REPORT FOR:	HYNDBURN
LOCAL COMMUNITY SAFETY ACTIVITIES (brief details)	
<p><u>MASH referrals and Positive Action</u></p> <p>A substantial spike in referrals from the Multi Agency Safeguarding Hub throughout the Eastern area has resulted in a targeted effort to work through and complete these often very difficult and demanding Home Fire Safety Checks. Stronger links with local Mental Health Teams are starting to develop as many of the referrals have complex needs and often require multiple joint visits.</p> <p>Fresh engagement with local mosques along Blackburn Road has enabled the Community Fire Safety team to promote our new Wholetime recruitment campaign to the wider public of the county. This has also led to requests from the mosques to attend their affiliated Madrassah to undertake road safety workshops and loose clothing sessions.</p>	

INCIDENTS OF OPERATIONAL INTEREST (brief details)	
<p>Incident: 16 Pump fire involving a vehicle salvage business in Altham Date: 07 December 2016 Time of Call: 04:41</p> <p>As this incident is subject to an on-going investigation, this is only a brief overview; Lancashire Fire and Rescue Service were called to a severe fire which was spreading through a stock-pile of vehicles which were stacked outside.</p> <p>Upon arrival, crews were confronted with approximately 200 compacted vehicles which were well alight inside the compound. Firefighters used partner saws to gain access to the compound and began to establish a water relay. Due to the wind conditions, the fire spread was very rapid.</p> <p>At its height, 16 appliances attended this incident and the High Volume Pump was used to deliver large amounts of water from the canal to the scene of operations.</p>	

LANCASHIRE FIRE AND RESCUE SERVICE
COMMUNITY SAFETY REPORT

REPORTING PERIOD: DECEMBER 2016 – JANUARY 2017

SUMMARY REPORT FOR:

LANCASTER

LOCAL COMMUNITY SAFETY ACTIVITIES (brief details)

Hate Crime Awareness Training

In conjunction with Lancashire Constabulary Community Cohesion Team, several sessions have taken place to deliver 'Hate Crime' training. The sessions are currently being delivered and trialled across all of Northern area. The sessions are designed to allow all Lancashire Fire and Rescue Service personnel to identify and support people affected by hate crime by signposting victims to Lancashire Constabulary or Victims Voice.

Feedback received from operational personnel attending commented that "*the session highlighted how easy it is to overlook crime when it's presented in front of you*". The training was firstly instigated as a result of hate crime reports being received from minority communities as a result of the Brexit vote and subsequently discussed at the local Community Safety Partnership. In addition to the training, a hate crime project with The Polish Community (Clicker Project) has been established involving Victims Voice and Community Safety Advisor.

INCIDENTS OF OPERATIONAL INTEREST (brief details)

Incident: Building Fire, Abbey Road, Barrow-in-Furness
Date: 11 January 2017
Time of Call: 21:57

Three Fire Appliances (two Lancaster, one Carnforth) and a Service Delivery Manager were mobilised to a cross-border incident at the above address. The incident was a three storey disused public house in the town centre.

The initial attendance to the incident at 20:56 hours was three fire appliances. Due to the severity of the fire, appliances were increased to eight and an aerial ladder platform (ALP) was requested. The incident was subsequently increased to twelve appliances, it was at this point that Lancashire Fire and Rescue Service appliances were mobilised.

LFRS appliances were used to ferry water from a mains supply approx. 500m from the incident. All LFRS appliances were released from the incident at 00:20 hours.

LANCASHIRE FIRE AND RESCUE SERVICE
COMMUNITY SAFETY REPORT

REPORTING PERIOD: DECEMBER 2016 – JANUARY 2017

SUMMARY REPORT FOR:

PENDLE

LOCAL COMMUNITY SAFETY ACTIVITIES (brief details)

Falls Prevention

LFRS has responded to hundreds of 999 call outs for special services for falls in relation to 'gaining entry' incident types. On the back of this, Community Fire Safety Advisors then receive follow up visits for home fire safety check signposting. Falls Teams across East Lancashire have worked collaboratively with Community Fire Safety Advisors for quite some time. An annual winter campaign was initiated by the Falls Team promoting "Steady on" messages. This involved joint organisational events in the district, specifically targeting those most at risk of a fall. This can be determined by poorly fitting foot wear, walking aids at the wrong height, ferrules on walking sticks being worn down or badly fitted. There are other factors that can cause people to fall including medication, and this is how the joined up approach works well, as Community Fire Safety offer a visit as part of the campaign.

With falls coming under another determinant on the Safe and Well Visit, planning for winter pressures has been one of the priorities we have particularly focussed on. By working effectively with key agencies and helping to educate vulnerable members of our society in falls prevention, it will help reduce future incidents of falls related admissions and provide targeted fire prevention to those presenting as a high risk profile.

Events were planned and took place at Colne Market, Nelson bus station, and flu clinics at health centres across the Pendle Borough. Over 200 high risk referrals were taken for Crews and Community Fire Safety Advisors to carry out over the Christmas period.

INCIDENTS OF OPERATIONAL INTEREST (brief details)

Incident: Special Service Call
Date: 11th and 21st January 2017
Time of Call: 12:00

Nelson was the third station to go live within Lancashire, with regard to being an Emergency First Responder (EFR) unit. The crew have been mobilised to two cardiac incidents since its inception. The crew have worked and handled the situations in the most professional manner. They have utilised their training and equipment proficiently on both occasions, prior to the arrival of an ambulance or Paramedic Technician.

Incident: Primary Fire
Date: 14 December 2016
Time of Call: 13:17

Two appliances from Nelson attended a local primary school, where conducted heat in the flue from an oil fired boiler had caused surrounding lagging to smoulder. Smoke from this smouldering insulation had activated the smoke alarm in the basement boiler room. The Crew isolated all power to the boilers and switched all controls off prior to removing the charred insulation. Although accidental, there was severe heat damage to a quantity of insulation and light smoke damage to the basement boiler room.

LANCASHIRE FIRE AND RESCUE SERVICE
COMMUNITY SAFETY REPORT

REPORTING PERIOD: DECEMBER 2016 – JANUARY 2017

SUMMARY REPORT FOR:	PRESTON
LOCAL COMMUNITY SAFETY ACTIVITIES (brief details)	
<p><u>Fire Cadets</u> Preston's Fire Cadets have come back from the festive holidays and embraced the cold weather. Working outside with the help from crews, the Cadets have progressed very quickly with their drills and knowledge on the drill ground. This week's session saw the Cadets carrying out the drill 'Hose Aloft'. They learnt how to secure a rolling hitch and a clove hitch and their communication skills and knowledge of words of command were tested as they relayed commands from the drill ground up to the first floor of the tower.</p> <p>All of the Cadets are doing brilliantly and the Crew Managers, Yamin and Fuzia have both taken command of their watches delegating tasks, organising roles within drills and taking parade. The Cadets are continuing to work through their module booklets and are very enthusiastic when they attend the unit; some have even started asking about carrying on to next year as Crew Managers in Development. Next, the Cadets have a visit to North West Fire Control booked in as well as a Dementia Friends session. A massive thank you to all the Watches at Preston for their engagement with the Cadets and help planning sessions.</p> <p><u>Fire Safety Talk to Probationers from Edith Rigby House</u> Community Safety Advisors delivered a fire safety session to a group of probationers from the Edith Rigby House in Preston - where probationers live for three months after being released from prison. This helps them to get acclimatised to everyday life. The Community Safety Advisors talked about fire safety in the home and gave them an awareness of the dangers of fire, they were also shown items burnt in fires and had the causes of fires explained.</p> <p><u>Preston Prince's Trust</u> The Community Safety Advisor attended the new Prince's Trust Team to deliver a fire safety talk to a group of 20 young people. The CSA delivered information about fire safety in the home which was well received by all.</p>	

INCIDENTS OF OPERATIONAL INTEREST (brief details)

Incident: House Fire - Persons Reported, Slaidburn Place, Preston

Date: 05 December 2016

Time of Call: 19:30

Three appliances from Preston were mobilised to a persons reported fire. On arrival, the crews were informed that an eighteen year old male had poured petrol onto a log burner to try and get the wood burning. Unfortunately, the vapours from the petrol had caused the individual's clothes to ignite. This resulted in severe burns to the individual. He was taken to hospital and spent several weeks at the burns unit. There was another male at the premises who suffered from smoke inhalation and the crews also assisted a female who was suffering from shock. Crews spent several hours at the incident.

Incident: House Fire, Tagg Lane, Fulwood

Date: 17 January 2017

Time of Call: 16:01

This incident was a persons reported house fire. On arrival, crews were informed that the occupier was believed to be inside the premises. Crews wearing breathing apparatus entered the premises and with difficulty due to hoarding located the fire in the lounge. The house was severely smoke logged. Fortunately, after searching the property it was confirmed that all persons were accounted for. After extinguishing the fire which had been severe, crews spent several more hours emptying contents which had been affected by the fire to ensure it was extinguished. The cause of the fire was believed to be smoking materials which had ignited the settee. The adjacent property was also slightly smoke logged.

Incident: Special Service Call, Preston

Date: 14 January 2017

Time of Call: 20:36

Crews attended a road traffic collision near Haighton Green lane, Preston. The incident involved one vehicle which was on its side. The driver was confined within the vehicle. On arrival, the Officer in Charge of the appliance liaised with the police and North West Ambulance Service personnel. Crews were informed that the driver was also disabled. Crews using cutting equipment gained access to the rear of the vehicle. They also had to remove a motorised wheelchair to create space to enable crews to rescue the driver. After being released from the vehicle, the driver was then taken by ambulance to hospital.

Incident: Special Service Call, Child Locked in Vehicle, Preston

Date: 29 December 2016

Time of Call: 18:21

Crews attended Queens Retail Park, Queens Street, Preston. The vehicle owner had left her keys on the front driver's seat, whilst putting the baby in the rear child seat. After closing the rear car door, the central locking locked all doors. The mother was very worried and could not gain access to the vehicle. Firefighters used the glass management kit to gain access through the front vehicle window.

LANCASHIRE FIRE AND RESCUE SERVICE
COMMUNITY SAFETY REPORT

REPORTING PERIOD: DECEMBER 2016 – JANUARY 2017

SUMMARY REPORT FOR:	RIBBLE VALLEY
LOCAL COMMUNITY SAFETY ACTIVITIES (brief details)	
<u>MASH Referrals</u> A substantial spike in referrals from the Multi Agency Safeguarding Hub throughout the Eastern area has resulted in a targeted effort to work through and complete these often very difficult and demanding Home Fire Safety Checks. Stronger links with local Mental Health Teams are starting to develop as many of the individuals referred have complex needs and often require multiple joint visits.	

LANCASHIRE FIRE AND RESCUE SERVICE
COMMUNITY SAFETY REPORT

REPORTING PERIOD: DECEMBER 2016 – JANUARY 2017

SUMMARY REPORT FOR:	ROSSENDALE
LOCAL COMMUNITY SAFETY ACTIVITIES (brief details)	
<p><u>Social Isolation Linking into LFRS Prevention Work</u></p> <p>Health and Wellbeing partnerships in the district of Rossendale have been working with Community Fire Safety (CFS) teams successfully over recent months. The initiative SPICE is short term funded and has an ultimate priority to tackle the issues around social isolation. A mapping exercise with various organisations and professionals was completed to establish localities within the district highlighted as the most susceptible to becoming socially isolated. Haslingden and Whitworth were the two towns within Rossendale that have the highest recorded numbers of social isolation. Social isolation is focused as one of the determinants which has been introduced in the new Safe and Well visits within Lancashire Fire and Rescue Service.</p> <p>Social isolation can be an issue for any age and is a state of complete or near complete lack of contact between an individual and society. Infrequent participation in social activities due to a change in circumstances such as ill health or loss of spouse can be just a few examples of why a person can end up feeling so isolated in their own environment. It differs from loneliness, which reflects a temporary lack of contact from other people. Research has been produced which indicates the detrimental effects it can have on a person's health and how having regular company can also assist recovery if a person falls ill (Marmot 2010). Social isolation can be as damaging as smoking 15 cigarettes per day (Holt-Lunstad 2015), so by having social networks and friendships not only impacts on reducing the risk of mortality by 26% it reduces the risks of developing certain diseases such as coronary heart disease, strokes, high blood pressure, onset of disabilities and cognitive impairments such as Dementia. The close working between CFS teams and partners is providing opportunities to reduce risk from fire and also reduce risk in terms of the health and social issues.</p> <p>Over the winter period we have seen Community Fire Safety teams working closely with voluntary groups and organisations. They have delivered key fire safety messages to faith groups, luncheon clubs, coffee mornings and memory clinics, all of which have proven positive for us in Pennine area. It has also helped generate high risk referrals for the most isolated and vulnerable people for a Safe and Well visit. We can again continue our efforts by reaching out to members of our community and signpost them for the right support. It is important we understand the issues people face and help bridge the gaps in society as we are now living longer.</p>	

INCIDENTS OF OPERATIONAL INTEREST (brief details)**Incident:** Domestic Fire**Date:****Time of Call:**

Crews from Rawtenstall, Bacup and Haslingden attended a house fire in the Whitewell Bottom area of Rossendale. Fire was initially reported to be in the basement of a back to back terraced property. Two breathing apparatus wearers with a hose reel, thermal image camera and dry powder extinguisher were committed to investigate. No fire was found, but there was a large amount of smoke. Further investigation quickly revealed that there was a fully developed fire in the property which backed onto this house.

Four breathing apparatus wearers were committed into the affected property to fight the fire and search the premises. No persons were present but a dog was rescued which unfortunately, despite attempts to resuscitate, was already dead due to the smoke. Ventilation units were used to clear smoke which had percolated into several adjacent properties. After the fire was extinguished, the cause was investigated and believed to be an accumulation of clothes and household goods around a dryer in the basement. The interior of the house was severely damaged by the fire and smoke, but luckily no-one was present, as the house did not have working smoke detectors.

A hot-strike was carried out in the area to ensure local residents received a Home Fire Safety Check and smoke detectors if required. The incident was also of note because, due to the occupiers not having any insurance, a campaign was run on Facebook and 'Just Giving' by family and friends to raise money to assist with the repairs to the house and replacement of contents. This raised several thousands of pounds from the local community and a local landlord offered a property for them to stay in until theirs was habitable again.

LANCASHIRE FIRE AND RESCUE SERVICE
COMMUNITY SAFETY REPORT

REPORTING PERIOD: DECEMBER 2016 – JANUARY 2017

SUMMARY REPORT FOR:

SOUTH RIBBLE

LOCAL COMMUNITY SAFETY ACTIVITIES (brief details)

Great Fire of London

A request for assistance came into Leyland Fire Station from Leyland St Andrew's Church of England Infant School, who had been studying the Great Fire of London. One of their homework projects was to design and build a model house, which would be joined with other houses to make a model of London, so that they could re-enact the great fire of London on a visit to the Fire Station. There were approximately 50, year 1 pupils who took part in the event. They watched the demonstration and then learned about the firefighting equipment the Crews have today so they could compare with the firefighting equipment they had then. The session was very successful and also gave the Community Fire Safety Team the opportunity to reinforce messages such as handing in lighters, not playing with matches and the dangers of fire.

Dementia Event – Halls for All

This was a new initiative being held at a venue called 'Halls for All', run by South Ribble Borough Council, with the aim being to have a monthly drop in session for families and carers of people living with dementia and those with dementia. At this session and all future sessions, there will be a marketplace for those in attendance to talk to agencies about their concerns and find out what help is available. There was also the opportunity for those living with dementia to engage in craft type activities such as crocheting, cross stitch and colouring in for adults. The plan for 2017 is to have themes throughout the year, with Lancashire Fire and Rescue Service leading on the run up to winter with a winter safety theme. The focus would be around looking at appropriate heating, trailing wires and generally keep warm, safe and well throughout the colder months.

INCIDENTS OF OPERATIONAL INTEREST (brief details)

Incident: Primary Fire
Date: 25 December 2016
Time of Call: 14:37

On arrival at the incident, Crews were faced with a domestic premises that was fully cloaked by smoke. The owner met the Crews and assured them that everyone was out of the property. The front door was open and after instructing breathing apparatus crew, they investigated the hall and stairs of the premises and saw flames coming from a back bedroom with a low smoke plane. After a quick brief, crews entered with hose reel and made their way upstairs. The Officer in Charge asked for fans to be made ready as and when possible and did a risk assessment after a look around the rear of the premises where flames were issuing from the bedroom and side landing windows. A hose reel jet was used at the rear of the property into the bedroom. The fans were switched on after instruction from the breathing apparatus team. The cause of the fire was a candle placed on a desk in the bedroom where the occupier had been working on a computer/ games console prior to the

fire. He had been downstairs at the time and heard a bang upstairs; on investigation he saw the bedroom on fire. He got the remaining three occupants out and by this time the house was becoming smoke logged.

Incident: Primary Fire
Date: 30 December 2016
Time of Call: 18:55

This was the third of three similar incidents that occurred in December. The fire started in a wheelie bin next to a fence and garage. The occupier had placed some ashes from his wood burning stove in the bin previously; this caused the fire in the bin that spread to the fence and garage. Three wheelie bins and three fence panels were destroyed by fire as well as the fascia and gutter approximately 2x2 metre was destroyed by fire on the garage.

The first incident was on 07 December which involved a wheelie bin containing loose refuse and dry leaves that had spread to the underside of the property soffits and fascia board and the second was on 28 December where coal had been placed in a wheelie bin.

LANCASHIRE FIRE AND RESCUE SERVICE
COMMUNITY SAFETY REPORT

REPORTING PERIOD: DECEMBER 2016 – JANUARY 2017

SUMMARY REPORT FOR:

WEST LANCASHIRE

LOCAL COMMUNITY SAFETY ACTIVITIES (brief details)

Christmas Tea Dance

The Community Fire Safety (CFS) Team from Ormskirk were invited to Ormskirk Civic Hall to attend a Christmas Tea Dance organised by the Alzheimer's Society - Central and West Lancashire. There were approximately 30 people in attendance who were a mix of mainly elderly people (living with dementia and mobility issues) and their carers. The CFS Team had a fire safety stall and demonstrated the hard of hearing unit, promoted the Home Fire Safety Check service and spoke about how people living with dementia and their support network can be supported. There was also the opportunity to network with other agencies including Dementia Support Workers from the Alzheimer's Society, personnel and managers from the care agency Home Instead, Age UK, ICAN (South West Lancashire Independent Community Advice Network) and West Lancashire CVS. Some of these agencies have since booked fire safety training from the CFS team.

Food Banks

Crews from Ormskirk Fire Station read an article in the local newspaper explaining that the Ormskirk Foodbank was being forced to leave their current premises due to the rent being increased by the landlords. They felt that they had spare capacity on station to assist in any way they could and also thought that it would be helpful if they could go out and deliver parcels to vulnerable members of the community. They also felt it would link in with the Safe and Well campaign - as sometimes these people get missed in the system and don't usually want to engage with other agencies. They spoke to the staff offering their services and were told that they had a large number of parcels in the run up to Christmas with nowhere to store them, so it would be greatly appreciated if they could be stored at the fire station. They stored in excess of 50 parcels at the station and helped deliver them out in the community. This partnership has continued well into the New Year and hasn't finished just because the Christmas rush is over. The staff from the Food Bank are also able to refer any vulnerable members of the community to the fire service for a home fire safety check.

INCIDENTS OF OPERATIONAL INTEREST (brief details)

Incident: Primary Fire
Date: 03 January 2017
Time of Call: 11:29

Crews from Skelmersdale, Ormskirk and Greater Manchester were called to a fire involving large quantities of mattresses stored next to commercial premises. The cause of the fire was down to misuse of equipment by staff as the fire started by an employee using a blow torch to disassemble mattresses. There was damage to approximately five tonnes of mattresses and other stored items and minor damage by heat to a warehouse steel wall and

roof. Staff at the incident attempted to put the fire out using water and CO2 extinguishers. On arrival the breathing apparatus team attacked the fire with hose reel and post fire the crews damped down and carried out an assessment with the thermal imaging camera. A full fire investigation took place and the incident was declared a significant incident by Fire Safety Enforcement.

Incident: Primary Fire
Date: 08 January 2017
Time of Call: 00:36

Fire in a bin compound of a block of flats which involved heat and smoke percolating through the door from the compound to the common stairwell. There was damage to approximately two tonnes of refuse and discarded household appliances and damage to the communal door and frame and common stairwell. There were eight occupants known to be in the building, two of these occupants were evacuated, the remainder were advised to remain in their flats. Crews were unable to determine the exact cause.

LANCASHIRE FIRE AND RESCUE SERVICE
COMMUNITY SAFETY REPORT

REPORTING PERIOD: DECEMBER 2016 – JANUARY 2017

SUMMARY REPORT FOR:

WYRE

LOCAL COMMUNITY SAFETY ACTIVITIES (brief details)

Dementia Buddy Coffee Mornings

As a result of a successful funding bid to Fleetwood Rotary Club and the Police Crime Commissioner a supply of Guardian Angel devices were obtained. The first event to promote the devices throughout the Wyre District was held at Fleetwood Fire Station involving Community Safety Advisors, Police, Preesall Fire Cadets and Prince's Trust Team 37, who baked cakes, biscuits and donated £50.00 from their team challenge to purchase additional Guardian Angels. During the morning, a total of 17 Guardian Angels were issued which in turn generated Home Fire Safety Checks for vulnerable people within the District.

A second event was held at Preesall Fire Station involving Community Safety Advisors, Retained Duty Staff (RDS) and Preesall Fire Cadets. The event was supported by the local Co-op who supplied refreshments and the local Women's Institute who baked cakes for the event. The event was attended by approximately 50 people with many Guardian Angel devices supplied and also generating high risk Home Fire Safety Checks. With this event being a success the RDS unit are now in liaison with a local school to hold another event on March, with the pupils of the school receiving dementia friends training.

INCIDENTS OF OPERATIONAL INTEREST (brief details)

Incident: Commercial Building Fire, Memorial Lane, Pilling
Date: 06 January 2017
Time of Call: 02:32

Fire Appliances from Preesall and Garstang were mobilised to the above address. On approach to the incident, it was apparent that a serious fire was developing. The crews arrived to a large fire venting through the roof and reports from local residents that somebody may be inside the building. As a result, fire appliances were increased to six and an aerial ladder platform (ALP) was requested.

Breathing Apparatus Teams were committed into the building to search and carryout fire fighting. At the height of the incident, the Service had in attendance eight fire appliances, one ALP, one command unit, a high volume pump being deployed to pump water from a pond approximately one mile away and the aerial support unit providing aerial footage of the incident. The investigation is ongoing; however investigations are being centred around a space heater as a possible cause. The building was used as a tractor assembly plant.