

LANCASHIRE COMBINED FIRE AUTHORITY
RESOURCES COMMITTEE

Wednesday, 21 March 2018, at 10.00 am in the Main Conference Room, Service Headquarters, Fulwood.

MINUTES

PRESENT:

Councillors

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

Officers

J Johnston, Deputy Chief Fire Officer (LFRS)
K Mattinson, Director of Corporate Services (LFRS)
B Warren, Director of People and Development (LFRS)
A Kaylor, Head of ICT (LFRS)
M Nolan, Clerk and Monitoring Officer to the Authority
D Brooks, Principal Member Services Officer (LFRS)
40/17 APOLOGIES FOR ABSENCE

Apologies were received from Councillor D Coleman.

41/17 DISCLOSURE OF PECUNIARY AND NON-PECUNIARY INTERESTS

None received.

42/17 MINUTES OF THE PREVIOUS MEETING

In response to a question raised by CC Wilkins regarding the non-DFM revenue budget the Director of Corporate Services confirmed that the penalty value of £635k had been re-calculated at the time of repayment and this had resulted in a lower penalty than forecast in the previous minutes. He presented to the Fire Authority meeting in February that the debt outstanding was £2m and that no allowance had been made for the potential relocation of Service Headquarters.

In response to a question raised by CC Wilkins regarding the level of costs associated with agency staff, the Director of Corporate Services confirmed that it was a small element of the budget which varied depending on what vacancies arose.

RESOLVED: - That the Minutes of the last meeting held on 29 November 2017 be

confirmed as a correct record and signed by the Chairman.

43/17 FINANCIAL MONITORING

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

Revenue Budget

The overall position as at the end of January showed a breakeven position. In terms of the year end forecast the latest forecast showed an overall overspend of approx. £0.1m. The current forecast took account of the following significant changes:-

- £0.4m purchase of the Water Tower vehicle following Planning Committee approval, as reported at last Resources Committee;
- £0.2m transfer the unspent Apprenticeship posts budget into an earmarked reserve to pump prime future years apprenticeship posts subject to Resources Committee approval in May as part of the revenue outturn reporting;
- £0.1m two ill health fire fighter retirements;
- £0.2m in relation to Retained Duty System (RDS) which had seen a 3% growth in hours of cover/number of staff since the start of the financial year.

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

Area	Overspend / (Under spend) to 30 Jan	Forecast Outturn at 31 March	Reason
	£'000	£'000	
Service Delivery	27	2	The current and forecast outturn position reflected underspends on smoke detectors and income generated in relation to drone courses run by LFRS. This was largely offset by overspends on new recruits uniforms/PPE, training mannequins for stations, and furniture. The budget also included £200k for the partial swap out of various items of PPE (gloves, boots and helmets) with the balance of costs being met in 18/19. This amount was unlikely to be incurred during the current financial year due to delays in expected delivery dates and therefore, this amount would need to be carried forward into 18/19 as part of the year end process.
Human Resources	(79)	(95)	Both the current and forecast positions represented the unspent remainder of

			the budget allocation for Organisational Development (currently £106k) less overspends in relation to carrying out the wholetime recruitment exercise. Spends committed against the Organisational Development budget were an additional fixed term HR adviser, the leadership conferences and the management development programme.
Property	131	127	The overspend position related to premises repairs and maintenance, which was expected to continue for the remainder of the year.
Non DFM	438	551	The overspend largely related to funding of the purchase of the water tower, as agreed at the last Resources Committee meeting. It should be noted that the outturn position ignored year-end adjustments in respect of the final insurance position on the Aggregate Stop Loss and claims history, which would only be determined as part of the year end process.
Wholetime Pay	(279)	(368)	The year to date position reflected: <ul style="list-style-type: none"> the number of whole time recruits who took part in the June course was lower than budgeted, 32 compared with a budgeted 36. in addition, vacancies to date were higher than forecast due to the early leaver profile pension costs were lower than forecast as the number of personnel who were no longer on the FF pension schemes stood at 25, in addition staff continue to transfer from the 92 scheme to the 2015 scheme resulting in a reduction in employer pension contributions. the balance of the underspend relating to the timing of costs of ad hoc payments such as public holidays. <p>However it was noted that the position to date only included the interim pay award of 1% backdated to July, which was in line with the approved budget. Should the final pay award not be agreed by 31 March, we would review this as part of the year end outturn</p>

			<p>position reported to Resources Committee, where we will consider setting aside a further sum of money to fund any eventual agreement. (It was noted that each additional 1% pay award would increase the current year costs by £0.25m.)</p> <p>The outturn reflected all of the above, plus the shortfall in W/T recruitment on the recruits course began in January (15 as opposed to a budgeted figure of 24).</p>
Control Staff	(37)	(44)	<p>The underspend related to a communications officer post, which was temporarily filled by a wholetime member of staff, whilst the substantive post holder was seconded to work for the Home Office on the national ESMCP project.</p>
RDS Pay	79	100	<p>The forecast overspend on RDS pay arose following several successful recruitment campaigns, which had resulted in an overall increase of 3% in hours of cover/number of RDS staff since the beginning of the year.</p>
Associate Trainers	116	153	<p>The annual training plan was used to match planned training activity to staff available at the training centre. Where this was not possible, associate trainers were brought in to cover the shortfall. The reintroduction of wholetime courses this year had led to an increased use of these, hence the forecast overspend.</p>
Support staff (inc agency staff)	(262)	(196)	<p>The underspend to date related to vacant posts across various departments, which were in excess of the vacancy factor built into the budget. The majority of these vacancies had now been filled, although ICT and Knowledge Management remained problem areas.</p> <p>Note: agency staff costs to date of £108k were replacing vacant support staff roles; this still only accounted for 2% of total support staff costs).</p> <p>As highlighted above the budget included a sum of £180k to allow for the recruitment of apprentices in the second half of the year. This recruitment had been delayed whilst an appropriate mechanism was identified, meaning that approx. £150k of the funding would not be utilised in the current year. The</p>

			previous report proposed that any underspend on this budget should be carried forward as an earmarked reserve to meet on-going costs in future years, hence as part of the year end process the eventual underspend would be transferred to earmarked reserves, subject to Resources Committee approval in May as part of the revenue outturn reporting.
Apprentice Levy	(18)	(23)	The apprentice levy was payable at 0.5% of each months' payroll costs. The budget for this was set at anticipated establishment levels, hence the underspend against this budget reflected the various pay budget underspends reported above.

The final proposed transfers into reserves would be considered as part of the outturn position that would be reported to the Resources Committee in May 2018.

Capital Budget

The Capital Programme for 2017/18 stood at £13.533m, but was amended to include both the inclusion of the Water Tower purchase and the removal of the Training Assets budget following the November Resources Committee and the December Fire Authority meetings. As such the revised capital programme now stood at £12.688m. A review of the programme had been undertaken to identify progress against the schemes as set out below: -

	Committed spend to Jan 17 £m	Forecast Slippage Into 1718 £m	
Pumping Appliances	1.728	-	The budget allowed for the purchase of 6 pumping appliances for the 2017/18 programme, for which the order was placed in February 2017. We currently anticipated that these appliances would be delivered during March. In addition, the budget allowed for the final stage payments in relation to the 5 pumping appliances carried from the 2016/17 programme, which were delivered during June and August.
Other vehicles	0.692	(0.598)	Committed spend related to the purchase of the Water Tower vehicle and various operational support vehicles during the year. In addition, this budget also allowed for the replacement of one of the Command Support Units and two

			Driver Training Vehicles. Requirements for these had not yet been finalised therefore, as previously reported this would slip over into 2018/19, along with the budget for any operational support vehicles not received during 2017/18.
Operational Equipment / Future Firefighting	0.020	(1.092)	<p>Committed spend related to the purchase of fog spikes within the future firefighting budget.</p> <p>This budget also allowed for the replacement of Thermal Imaging Cameras (TICs), which was subject to a regional procurement exercise. The contract had recently been awarded, and an order placed, however the TICs had not yet been received, hence the budget would slip into 2018/19.</p> <p>In addition, the budget allowed for the balance of the Future Fire Fighting equipment budget, the majority of which related to the purchase of the technical rescue jackets, following the regional procurement exercise, which would be delivered during the first quarter of the new financial year as previously reported.</p> <p>The replacement of Breathing Apparatus Radios would slip into 2018/19, as options were being reviewed including the potential to undertake a regional procurement process.</p>
Building Modifications	1.563	(4.262)	<p>Committed spend to date related to completion of the replacement water main and the completion of the Multi Compartment Fire Fighting prop at STC, purchase of the land adjacent to Preston Fire Station in preparation for redevelopment, and sums paid to date in respect of the redevelopment of the Lancaster Fire and Ambulance facility, which was expected to complete during the first quarter of 2018/19.</p> <p>The slippage figure related to:</p> <ul style="list-style-type: none"> the redevelopment of Preston Fire and Ambulance Station where we were in the

			<p>process of appointing consultants to take the project forward to detailed design and ultimately construction. The delay getting a commitment meant that no building works would take place in the current financial year; hence the majority of capital budget would slip into the next financial year.</p> <ul style="list-style-type: none"> • The replacement Fleet workshop was currently in the detailed design stage prior to undertaking a tendering exercise, hence would slip into 2018/19.
IT systems	-	(1.980)	<p>The majority of the capital budget related to the national Emergency Services Mobile Communications Project (ESMCP), to replace the Airwave wide area radio system and the replacement of the station end mobilising system. The ESMCP project budget, £1.0m, was offset by anticipated grant, however the timing of both expenditure and grant was dependent upon progress against the national project. We would not incur any costs in the current year. We were still awaiting an updated project timeframe from the National project team.</p> <p>Given the delay on the ESMCP project, the replacement station end project had also been delayed, however we were currently reviewing options to enhance resilience and ensure that any solution was compatible with the eventual ESMCP solution.</p> <p>The budget also allowed for the replacement of the Service-wide area network (WAN) providing an enhanced network and improving speed of use across the Service. The delivery of this was currently scheduled for the first half of the next financial year.</p> <p>The balance of the budget related to the replacement of various systems,</p>

			in line with the ICT asset management plan. We were still reviewing these systems in terms of requirements, having experienced capacity issues within various departments. Hence it was clear that none of these would be committed within the current financial year.
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Members were also provided details that set out the capital programme and the expenditure position against this, as reflected above. The costs to date would be met by capital grant, revenue contributions and reserves.

Delivery against savings targets

The current position on savings identified during the budget setting process, was reported. The performance to date was ahead of target due to a combination of the underspend on salaries for the year to date plus savings in respect of procurement activities during the same period. The savings target for the financial year had already been exceeded.

In response to Member questions, the Director of People and Development confirmed there were a small number of apprentices based in support staff groups. It was noted that the firefighter apprenticeship scheme was not yet available and hence it was difficult to fully utilise the apprentice levy that was being charged to the organisation. Options that were being considered for the provision of firefighter apprenticeships included the Fire Service College and an in-house employer/provider model. It was hoped that an approved scheme would be available by the end of summer 2018.

In response to a question raised by CC O'Toole, the Director of Corporate Services confirmed that there was a formula used to calculate the recharge to the Service to cover additional pension costs associate with ill health retirements, with this cost being spread over 3 years.

In response to a question raised by Cllr Williams regarding the efficiency of utilising Associate Trainers, the Director of People and Development confirmed that these were used to cover the busier periods. The Deputy Chief Fire Officer confirmed that robust planning was the responsibility of the Training Manager who matched staff availability with planned activity, bringing in Associate Trainers to cover any shortfall based on normal staffing levels.

RESOLVED: - That the financial position be noted.

44/17 FAIR FUNDING REVIEW

As reported to the Authority in February the Government was currently consulting on a "Fair Funding Review". The Authority agreed to delegate responsibility for agreeing a response to the Treasurer, in consultation with the Chairman and Chief Fire Officer. As such the following response was agreed and submitted in line with the consultation deadline of 12 March 2018.

"General Comments

We support the principles that the Government has set for the review, namely

that the revised system should be:-

- Simple
- Transparent
- Contemporary
- Sustainable
- Robust
- Stable

Fire Specific Comments

Whilst not part of this consultation we would reiterate our position that the Fire and Rescue Service should not be part of the Business Rates Retention Scheme as we have very little, if any, influence on local economic growth.

We also feel that the system needs to recognise an Authority's ability to raise council tax locally, reflecting that current council tax levels and taxbases differ widely between individual authorities. Furthermore we still believe that the council tax referendum principles need reviewing in respect of Fire and Rescue Services as the cost of holding a referendum is completely disproportionate to any benefit received. This is particularly relevant given that the same principles are not applied to Parish councils which in many cases have a higher precept than the Fire Service.

Whilst regression analysis is useful in comparing the outcome of any review with historic spending trends, we do not feel that historic spend is a good indicator of need, hence we do not support the view that the final formula must produce the most accurate reflection of historic spending patterns. We believe the final formula must provide a better reflection of the need to spend, as opposed to the historic level of spend.

Fire and rescue services formula

We concur that the cost of providing the fire service is a combination of many factors, and is driven by risk as opposed to demand. As such we believe any formula needs to focus on fewer key drivers of risk, of which the two largest are population and deprivation. Whilst other factors do influence risk/costs we believe these are far less important and if required should have a lower weighting in the formula.

We believe that whilst a greater number of factors may provide a marginally more accurate reflection of the cost of providing services the complexity that this adds to the formula does not justify their inclusion, and hence would support a radical rethink to remove some of the adjustments listed, such as Property and Societal Risk.”

It was noted that CC O'Toole did not agree with the statement regarding the council tax referendum. He advised that this was introduced as a mechanism to control the level of council tax that could be applied by a council. He also did not agree with the statement regarding Parish Councils which he thought were run very well and seldom increased their precept.

RESOLVED:- That the submitted response be noted.

As part of the Pension Reforms introduced following Lord Hutton's report into Pensions, a Local Pension Board (LPB) was established in February 2015 to assist the Scheme Manager, Lancashire Combined Fire Authority in securing compliance with the legislation regulations affecting the pension scheme as they affect the Firefighters Pension Schemes. The Authority delegated to the Director of People and Development the responsibility of complying with the relevant regulations and guidance.

It was noted that the administrative process was being undertaken under a contractual arrangement by the Local Pensions Partnership. The LPB comprised of four members, the Deputy Chief Fire Officer, the Assistant Chief Fire Officer (representing the employees) and two Union officials (the Brigade Secretary and Officers Branch lead FBU) representing the pension members.

When the Board was established it was agreed that the LPB membership would be reviewed once the scope and activities of the LPB became clear. This was still not the case. The LPB met twice a year with the Scheme Manager and Jayne Hutchinson (HR Adviser, responsible for pension activities) reporting to the LPB members the current position, issues and actions. A National Scheme Advisory Board had also been established to provide advice to both the Scheme Manager and LPB. This body had not as yet provided clarity to the relationship. Clair Alcock, an LGA employee with responsibility for providing advice and guidance on firefighter pension activities and an adviser/member of the National Scheme Advisory Board, had been invited to attend the LPB to explain the national view of the role and responsibilities of the LPB, to ensure that the LPB was operating effectively.

Items addressed by the LPB had been:

- Conflicts of interest
- Terms of Reference
- Pension administration including monitoring of IDRP
- Membership levels
- Pension Ombudsman/Pension Regulator issues
- Communications
- Member knowledge and understanding of the Pension Scheme

Unlike other Pension Boards, the firefighters' scheme had no funding issues to consider. This effectively limited the LPB relevance and workload.

The Scheme Manager had to ensure the following:

- Annual benefit information statements were provided to each Scheme Manager
- Publication of scheme information
- Maintenance of scheme records
- Report to the Pension Regulator on any late payments of contributions
- Establish and maintain internal controls to ensure the scheme was managed in accordance with the rules and legislative requirements.

The delegated Scheme Manager utilised the LPB to report against these requirements and the performance of our sub-contractor and any relevant interaction with both the Pensions Regulator and Ombudsman. The most valuable interaction

was however in respect of communications over Pension issues.

At the most recent meeting the LPB members were consulted over any LPB membership development. The LPB were of the view that until a more meaningful workload had been determined then no determination should be made in respect of future membership.

RESOLVED:- That the Committee:

- (i) endorsed continuation of the current arrangements; and
- (ii) required the Director of People and Development, as the delegated Scheme Manager to produce proposals for any amendment to the representation on the Local Pension Board once a requirement was determined or request the continuation of the current arrangements beyond March 2019

46/17 EQUALITY, DIVERSITY AND INCLUSION POLICY

Further to the approval of the Equality, Diversity and Inclusion Policy in 2017, it was agreed that Members would review the policy in 2018.

The Equality Act 2010 stated that everyone had the right to be treated fairly and equally. The Act had 2 main purposes, it brought together and simplified all of the existing discrimination law and strengthened the law to further support progress on equality. In the exercise of its functions (including any functions carried out by external supplier/organisation) LFRS must have due regard to:

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

These were often called the 3 main aims of the general duty and were detailed in the Equality Act 2010 Section 149. The Equality Duty was supported by 2 main specific duties which required public bodies to:

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

As a public body Lancashire Fire and Rescue Service (LFRS) was required to publish equality information to demonstrate compliance with the Equality Duty which it did via the Equality Diversity and Inclusion Annual Report.

LFRS had already agreed the following equality objectives:

Our Communities:

- Support local business's 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 workforce practices.
- Develop our staff to ensure they can respond competently meeting the different needs of our diverse communities.

The EDI Policy identified individual responsibilities and defined LFRS' commitments in terms of the following:

- Equality: Fairness, respect and giving people an equal and fair chance of opportunity to fulfill their potential.
- Diversity: Recognising, valuing and taking account of people's difference, backgrounds, knowledge, skills and experiences. In the context of this policy it also meant encouraging and using difference to create a productive workforce, celebrate difference and recognising the contribution that every individual can make.
- Inclusion: Positively striving to meet the needs of different people and taking deliberate action to create an environment where everyone feels respected and able to achieve their full potential.

The Service should also be cognisant of Unconscious Bias. Psychologists referred to unconscious bias as simply being our natural people preferences, biologically we were hard-wired to prefer people who looked like us, sounded like us and shared our interests; this preference could bypass our normal, rational and logical thinking.

During 2017/2018, all employees have been required to undertake refresher equality, diversity and inclusion training incorporating unconscious bias via the completion of an online training module and all members of staff who are involved in the recruitment and selection of staff have also attended additional training in relation to how to avoid unconscious bias within the recruitment and selection process.

The Director of People and Development confirmed that the Equality, Diversity and Inclusion Member Champion, Councillor Zamir Khan would be presenting the next Annual Report to the full Authority.

RESOLVED: - That the Committee noted and endorsed the Service policy which was subject to a review next in 2021.

47/17 GENDER PAY GAP

The Director of People and Development advised that there was a duty to report on the gender pay gap before the end of March. In preparing for this requirement our systems had calculated the gender pay gap but when the data was examined a problem with the source data was found therefore, a report was not currently available.

In response to Member concerns and following discussion it was agreed that an extraordinary meeting of the Committee would be called for the following week, 28 March 2018 at 10:00am to discuss this item in more detail and in time to meet the deadline for the publication of the information.

RESOLVED: That the position be noted.

48/17 RECRUITMENT UPDATE

The Director of People and Development provided Members with a brief outline on the outcome of the latest recruitment campaign. It was noted that exact detail and full analysis were still being undertaken to inform future actions.

The latest recruitment campaign was nearly complete with a tranche of individuals having had their medicals with others about to attend which meant that the individual had been successful in the process, barring any medical complications.

Therefore, there were 72 successful applicants consisting of: 14 from an Retained Duty System background, 16 female and 8 from a BME background. In addition, a non-uniformed employee had been successful as had an ex-employee who had transferred to North West Fire Control. Any significant developments or amendments would be reported to a future resources committee meeting.

RESOLVED: - That the report be noted.

49/17 OHSAS 18001 HEALTH & SAFETY AND ISO 14001 ENVIRONMENTAL MANAGEMENT SYSTEMS ASSESSMENT AUDIT REPORTS

The Director of People and Development presented the positive report. OHSAS 18001 and ISO 14001 were international best practice standards for how organisations managed Health & Safety and the Environment. The specifications gave requirements for an occupational health and safety / environmental management system, to enable an organisation to control its risks and improve performance.

In 2011 Lancashire Fire and Rescue Service (LFRS) was successful in certification to ISO 14001 the International Standard for Environmental Management Systems and OHSAS 18001 the Health and Safety Management System standard. Each year surveillance audits were carried out to ensure that the standards continued to be adhered to and to ensure continuous improvements were made. Every three years LFRS had to apply for re-certification to maintain the standards.

Commencing 6 February 2018 LFRS was audited for six days to continue certification to the above standards. The British Assessment Bureau (BAB) was invited to carry out a re-certification audit in LFRS against the two standards following the initial certification achieved in 2011 and re-certification in 2014. The scope for both standards was 'The Provision of Fire, Rescue and Supporting Services across Lancashire'. This included all operational activity with visits to four fire stations operating different duty systems and Service Training Centre together with a number of supporting departments including Safety, Health and Environment, Corporate Communications, Fleet and Engineering Services and Property.

Continued certification had been granted for both OHSAS 18001 and ISO 14001, and Members considered the two audit reports. One opportunity for improvement had been received for each standard "An improvement is planned for LFRS documentation management using the "Sharepoint" system"; it was observed that the SHE documents were version controlled but in other areas some documents did

not include full version control”.

As part of the audit process, the auditors identified a number of positive aspects, including:

- The smooth transition from the old ISO 14001:2004 to the new ISO 14001:2015 standard.
- The systems were embedded into how we work.
- Leadership and commitment was displayed in all areas visited/sampled.
- Extremely knowledgeable and committed staff were interviewed.
- The systems were continually being improved and were not flat lining.
- The internal audit plan was thorough and comprehensive.

As part of the audit, a number of additional areas for improvement were identified and it was intended that all these were developed into an ‘improvement action plan’ and taken forward through the Service’s Health, Safety and Environment Advisory Group.

RESOLVED: - That the report be noted.

50/17 DATE AND TIME OF NEXT MEETING

The next meeting of the Committee would be an extraordinary meeting to be held on Wednesday 28 March 2018 at 1000 hours in the Main Conference Room at Lancashire Fire and Rescue Service Headquarters, Fulwood.

Further meeting dates were noted for 21 May 2018, 26 September 2018 and 28 November 2018 and agreed for 27 March 2019.

51/17 EXCLUSION OF PRESS AND PUBLIC

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

52/17 ICT STRATEGY

(Paragraph 3)

The Information Communications Technology Strategy 2018-22 outlined plans and direction for ICT at Lancashire Fire & Rescue Service over the next 4 years.

RESOLVED: - That the Committee noted the report and approved the Information Communications Technology Strategy 2018-22 for internal publication.

53/17 HIGH VALUE PROCUREMENT PROJECTS

(Paragraph 3)

Members considered a report that provided an update on all high value procurement projects/contracts for one-off purchases.

RESOLVED: That the Committee noted the report.

54/17 URGENT BUSINESS - INSURANCE RENEWALS 2018/19

(Paragraph 3)

The Authority's insurance programme was due to be renewed on 1 April 2018. Due to the tender exercise carried out in advance of renewals on 1 April 2016, the majority of the policies were under Long Term Agreements until March 2019.

It was noted that the Combined Liability elements of the policies were subject to increases in premium which would breach the Long Term Agreements and therefore consideration was required as to whether to accept the proposed increases or consider a further procurement exercise.

RESOLVED: – That the Committee approved the recommendation as set out in the report.

M NOLAN
Clerk to CFA

LFRS HQ
Fulwood