

# Public Document Pack

## LANCASHIRE COMBINED FIRE AUTHORITY

### RESOURCES COMMITTEE

Wednesday, 28 November 2018 in Main Conference Room, Service Headquarters, Fulwood commencing at 10.00 am.

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.

### 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. APOLOGIES FOR ABSENCE
2. 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.
3. MINUTES OF THE PREVIOUS MEETING (Pages 1 - 12)
4. FINANCIAL MONITORING 2018/19 (Pages 13 - 22)
5. TREASURY MANAGEMENT - MID YEAR REPORT 2018/19 (Pages 23 - 30)
6. SERVICE TRAINING CENTRE CAPITAL INVESTMENT (Pages 31 - 40)
7. DATE AND TIME OF NEXT MEETING

The next scheduled meeting of the Committee has been agreed for 10:00 hours on 27 March 2019 in the Main Conference Room, at Lancashire Fire & Rescue Service Headquarters, Fulwood.

Further meetings are:            scheduled for 29 May 2019 and 25 September 2019  
   proposed for 27 November 2019

8. URGENT BUSINESS - LANCASHIRE BUSINESS RATES PILOT POOL: MOU  
(Pages 41 - 52)

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

9. EXCLUSION OF PRESS AND PUBLIC

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

PART 2

10. IDRP STAGE 2 - DCP PENSIONABILITY (Pages 53 - 96)

11. HIGH VALUE PROCUREMENT PROJECTS (Pages 97 - 102)

12. URGENT BUSINESS (PART 2)

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

## LANCASHIRE COMBINED FIRE AUTHORITY

### RESOURCES COMMITTEE

Wednesday, 26 September 2018, at 10.00 am in the Main Conference Room, Service Headquarters, Fulwood.

#### MINUTES

#### PRESENT:

##### Councillors

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

##### Officers

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

#### 1/18 APOLOGIES FOR ABSENCE

Apologies were received from County Councillor Beavers and Councillor Blackburn.

#### 2/18 DISCLOSURE OF PECUNIARY AND NON-PECUNIARY INTERESTS

During part 2, item 10 County Councillor George Wilkins declared a non-pecuniary interest which related to a contractor being located in his division.

#### 3/18 MINUTES OF THE PREVIOUS MEETING

RESOLVED: - That the Minutes of the last meeting held on 21 May 2018 be confirmed as a correct record and signed by the Chairman.

#### 4/18 REVISIONS TO THE STATEMENT OF ACCOUNTS 2017/18

The Core Financial Statements for the financial year ended 31 March 2018 were presented to the Resources Committee in May. The report confirmed that:-

- the unaudited Statement of Accounts would be signed by the Treasurer to certify that it presented a true and fair view of the financial position of the Authority as at 31 March 2018;
- this would be subject to review by the Authority's external auditors, Grant Thornton;
- that a further report would be presented to the Audit Committee in July, following completion of the external audit;
- at that meeting the Chair of the Audit Committee would be asked to sign the final statement of accounts, as well as the Treasurer;
- Following this a final audited set of accounts will be presented to the Resources Committee for information.

In light of this the Committee noted and endorsed the report and core financial statements, based on the various outturn reports presented on the same agenda.

Subsequent to that the full set of accounts were produced and signed by the Treasurer and submitted for audit to Grant Thornton. The External Audit Findings Report was considered as now presented.

The main issues within the report were as follows:-

- Audit opinion - the auditor would give an unqualified opinion on the financial statement;
- Value for money – the auditors concluded that the Authority had proper arrangements in all significant respects to ensure it delivered value for money in its use of resources.

The auditors had identified one adjusted mis-statement, relating to the treatment of our share of North West Fire Control, as set out on page 13-15 of the Audit Findings Report. The Statement of Accounts was updated to reflect the changes identified during the audit and a revised statement of accounts was approved by the Audit Committee in July, as considered by Members as now presented.

In response to a question raised by County Councillor O'Toole regarding potential changes to Manchester's membership on the North West Fire Control (NWFC) Board of Directors the Chief Fire Officer confirmed that the change of governance in Manchester to a Mayoral governance approach had led to fewer Members being available to attend meetings therefore Manchester had wanted instead to nominate Officers to sit on the Board.

It was noted that Manchester owned 52% of NWFC, Lancashire 25% with the remaining shared between Cheshire and Cumbria. The potential for a change in membership and any associated risk would be reviewed shortly by the Board's current representation with any resultant change requiring alteration to the Articles of Association.

In response to a question raised by County Councillor Wilkins, the Director of Corporate Services confirmed that building assets received a full valuation every 5 years with a desk top review undertaken every year. The Deputy Chief Fire Officer advised that the last review of fire stations concluded that they were broadly in line

with our requirements. The stations were used jointly with the Police and Ambulance Services where possible and with other partners for community use.

In response to a question raised by County Councillor Hennessey regarding employee emoluments (detailed on page 66 of the agenda pack) and whether it was possible to show gender against these numbers the Director of People and Development advised that the annual workforce planning report did include this data which he would extract and provide to County Councillor Hennessey outside the meeting.

RESOLVED: - That the Committee noted and endorsed the revised Statement of Accounts.

5/18 FINANCIAL MONITORING 2018/19

The report set out the current budget position in respect of the 2018/19 revenue and capital budgets and performance against savings targets.

Revenue Budget

The overall position as at the end of July showed an overspend of £0.3m. Trends were being monitored to ensure that they were reflected in future years budgets as well as being reported to the Resources Committee. In terms of the year end forecast, it was still early in the year however, the latest forecast showed an overall underspend of approximately £0.1m.

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

Area	Overspend / (Under spend) to 31 July	Forecast Outturn at 31 March	Reason
	£'000	£'000	
Winter Hill	110	110	Cost agreed to date was £750k, however it was noted that all invoices had not yet been received in relation to the incident (including those from FRS who assisted) and as such we cannot accurately predict the final total cost. As this incident was covered by the Bellwin Scheme of Emergency Financial Assistance we would be making a claim under this and hence our total net costs should be limited to the threshold £110k. The Committee would be updated on final costs, once all claims had been received.
Fleet	38	72	Further to a discussion at the last

Services			<p>meeting, the numbers ordered and potential costs of new hydrant installations over the last few years had been:</p> <table data-bbox="890 376 1385 521"> <thead> <tr> <th>Year</th> <th>Number</th> <th>Cost</th> </tr> </thead> <tbody> <tr> <td>1516</td> <td>88</td> <td>£77k</td> </tr> <tr> <td>1617</td> <td>81</td> <td>£71k</td> </tr> <tr> <td>1718</td> <td>99</td> <td>£87k</td> </tr> </tbody> </table> <p>Historically these costs could take years from initial notification and calculation to the actual build completion, but the recent increase in new housing was having an impact on the budget. We were currently working with local planning offices to review options relating to these costs and the potential for housing developers to meet these.</p>	Year	Number	Cost	1516	88	£77k	1617	81	£71k	1718	99	£87k
Year	Number	Cost													
1516	88	£77k													
1617	81	£71k													
1718	99	£87k													
Property	109	104	<p>The overspend position related to premises repairs and maintenance. The forecast overspend reflected some of the new minor schemes approved in year to enhance station facilities such as enhanced female facilities.</p>												
Wholetime Pay	(48)	(300)	<p>The following issues affected whole-time pay:</p> <ul data-bbox="826 1189 1414 2020" style="list-style-type: none"> <li>• The budget allowed for an assumed 2% pay award last year, however to date no agreement had been reached on this, other than an interim 1%. Hence in the first four months of the year there had been an underspend of £100k. It was not clear whether this position would change or whether this had now been superseded by the 2018 pay award negotiations that were on-going. Should the position continue for the remainder of the year the total over provision within the budget would be £300k, which was reflected in the forecast shown</li> <li>• The budget also allowed for an assumed 2% pay-award for July 2018. Members noted that the Union and Employers Side had still been unable to reach an agreement on pay awards at the present time, hence the current underspend included £50k which related to the outstanding pay</li> </ul>												

			<p>award. For the purpose of forecasting we had assumed that this would be agreed at 2%, backdated to July 2018, and had therefore allowed for a cost of £450k in the outturn position.</p> <ul style="list-style-type: none"> <li>• In order to maintain pump availability at key RDS stations we had continued to detach in wholetime personnel, with over 800 detachments taking place in the first part of the year. Where there were insufficient staff available to enable detachments to take place, the shortfall was met by overtime. In the year to date we had incurred £50k of overtime at key RDS stations, with the most significant costs incurred at Wesham, Preesall, Longridge and Garstang. (Detachments did not have an actual staff cost associated with them as they were undertaken by personnel on duty, although travel time may be claimable. However based on the numbers undertaken in the year to date this equated to a notional cost of approx. £100k.)</li> <li>• As in previous years the budget included a vacancy factor based on anticipated retirements, leavers and new recruits. During the first four months staffing numbers had been higher than forecast, due to fewer retirements (there were currently 6 personnel who were forecast to retire but had not yet done so) resulting in an overspend of approx. £80k for the first part of the year. It was impossible to accurately predict this going forward, but should this position continue throughout the year the total additional costs of maintaining 6 extra posts was £240k.</li> <li>• The budget also allowed for the recruitment of 12 FF apprentices in year, at a cost of £200k. Given the difficulty in establishing a suitable apprentice's scheme, as previously reported, it was clear that these would not be recruited until next year, and hence no costs would be incurred.</li> </ul>
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Control Staff	-	-	The budget had been amended to reflect the fact that whilst we employed two Control Staff, one had been seconded to work for the Home Office on the national ESMCP project. Hence the amended budget was in a breakeven position.
Retained (RDS) Pay	124	250	The following issues affected retained pay: <ul style="list-style-type: none"> <li>• As referred to under whole-time pay the budget allowed for 2% pay awards in both years. Hence in the first four months of the year there had been an underspend of £15k.</li> <li>• For the purpose of forecasting we had assumed that the 18/19 pay award would be agreed at 2%, backdated to July 2018, and had therefore allowed for a cost of £60k in the outturn position.</li> <li>• Activity levels in the first 4 months of the year were higher than previous, reflecting increased hours of cover as well as an increasing number of incidents and hence pay costs were higher than forecast, £100k</li> <li>• In addition RDS recruits received wholetime pay during the recruits course receiving wholetime pay rates for two weeks, resulting in an overspend of £20k due to timing.</li> </ul> Previously, the significant vacant posts in excess of the vacancy factor within RDS pay mitigated any overspends, however with the improvement in retention/recruitment these were more visible, and would be reviewed for the next financial year's budget.
Associate Trainers	21	30	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. There had been trainer vacancies throughout the year to date, which had resulted in the overspend shown.
Support staff (less agency staff)	(82)	(200)	The underspend to date related to vacant posts across various departments, which were in excess of the vacancy factor built into the budget.



			(Note agency staff costs to date of £12k were replacing vacant support staff roles, this still only accounted for less than 1% of total support staff costs). Some of these vacancies had now been filled, although a number of vacancies remained which were difficult to fill, most notably in ICT and Information Management, resulting in a forecast outturn underspend of £200k. The Service was continuing to review roles and structures before moving to recruitment.
Apprentice Levy	(5)	(20)	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.

It was noted that the forecast year end underspend only occurred due to the position outlined in respect of the 2017/18 pay award. Had this not been the case the forecast would have shown an anticipated overspend of £250k.

#### Capital Budget

The Capital Programme for 2018/19 stood at £16.7m. A review of the programme had been undertaken to identify progress against the schemes as well as potential slippage across the programme.

The overall position as at the end of July showed £1.8m of capital expenditure. The year end spend was currently anticipated at £4.1m, with £12.6m of slippage. Slippage was simply a timing issue dependent on the progress of capital schemes, and not an indication of future underspends, with the slippage on Preston Fire Station outlined below being a good example of this. This position was shown is set out below, and summarised in appendix 2 as now considered by Members: -

Pumping Appliances	The budget allowed for the purchase of 7 pumping appliances for the 2018/19 programme. As the supplier indicated that the cost of the crew cabs had significantly risen, alternative cabs were been sourced and the order had been updated to reflect this. However due to delays thus far delivery would not take place until next financial year, although some staged payments would be made in the current year.
Other vehicles	This budget allowed for the replacement of various operational support vehicles: <ul style="list-style-type: none"> <li>• Two Command Support Units (CSU), the requirements were currently being finalised with a view to undertaking a procurement exercise. However taking account of</li> </ul>

	<p>anticipated lead times the final costs associated with the purchase of these, £0.6m, would slip over into 2019/20;</p> <ul style="list-style-type: none"> <li>• One Aerial Ladder Platform which was delivered during July; and</li> <li>• One Water Tower, which had been ordered and would be delivered during the financial year.</li> <li>• Various support vehicles which were reviewed prior to replacement. As the lead times on these were relatively short we anticipated utilising this budget in year.</li> </ul>
Operational Equipment/Future Firefighting	<p>This budget allowed for the purchase of the technical rescue jackets, following the regional procurement exercise, which were delivered at the end of May and were now in service.</p> <p>A further £200k related to the replacement of Breathing Apparatus Radios which were still being reviewed, including the potential to undertake a regional procurement process. Whilst some of this would slip into next year (£160k) we had committed to the purchase of fist microphones, which include noise cancelling facilities and hence enabled clearer voice transmission, thus aiding fire ground communications.</p> <p>The balance of £200k was to meet costs associated with on-going research projects relating to new equipment, and we anticipated utilising approx. £50k of this in the current year.</p>
Building Modifications	<p>Completion of the new joint Fire &amp; Ambulance facility at Lancaster was expected by mid-August, however this had not yet been achieved. Contract variations of £41k had been agreed in respect of time delays due to the discharge of planning conditions, and upgrading the appliance bay doors, however the final position in respect of variations was still being discussed with the contractors. Final handover of the building was expected to take place in October.</p> <p>In terms of the redevelopment of Preston Fire Station, it was noted that NWS had now confirmed that they did not intend to share in a joint redevelopment of the site as it did not tie in to their longer term estates strategy. As such we had advised them that they will need to quit the site, by the end of July to enable our own redevelopment works. We were currently in the process of designing a tender specification in order to appoint consultants to take the project forward, including the redesign of the station/site. It was clear that the delays caused by NWS would push the start of any build back into 2019/20, and hence the majority of the project costs would slip into that year, (£6.75m).</p> <p>The replacement Fleet workshop was currently undergoing a detailed design prior to undertaking a tendering exercise, and again spend was likely to slip into 2019/20.</p> <p>The final element of this capital budget related to the</p>

	balance of the Training Centre redevelopment works, largely relating to groundworks which would only be carried out following completion of the Fleet workshop.
IT systems	<p>The majority of the capital budget related to the national Emergency Services Mobile Communications Project (ESMCP), to replace the Airwave wide area radio system and the replacement of the station end mobilising system. The ESMCP project budget, £1.0m, was offset by anticipated grant, however the timing of both expenditure and grant was dependent upon progress against the national project. This national project had suffered lengthy delays to date, and it was likely that both elements of the budget would slip into 2019/20.</p> <p>Given the delay on the ESMCP project, the replacement station end project had also been delayed. However we could not delay this indefinitely and had therefore commenced work to replace the station end in the current financial year, whilst ensuring that any solution would be compatible with the eventual ESMCP solution.</p> <p>The budget also allowed for the replacement of the Services wide area network (WAN) providing an enhanced network and improving speed of use across the Service, and having agreed a contract for this we anticipated this being completed in the current financial year.</p> <p>The balance of the budget related to the replacement of various systems, in line with the ICT asset management plan. Whilst procurement work was on-going to facilitate the replacement of some of these systems in the current year, we were still reviewing the need to replace others. Hence further updates on progress would confirm which replacements were being actioned in the current year and anticipated spend profiles. For the purpose of forecasting we had assumed that these would slip into 2019/20.</p>

Expenditure to date had been funded from the on-going revenue contributions, with the majority of the year end forecast also being met by this, supported by capital reserves.

#### Delivery against savings targets

The current position on savings targets identified during the budget setting process was reported. The performance to date was ahead of target largely due to procurement activities during the period. It was anticipated that we would meet our efficiency target for the financial year.

In response to a question raised by Councillor Williams regarding the savings target that included smoke detectors, the Director of Corporate Services confirmed that the target was reviewed and updated annually. Members noted that the manufacturer managed any replacement process and that the initial failure rate of 10% had now reduced to 1%.

In response to a question raised by County Councillor Wilkins regarding the impact on the Authority in 2021 of the Government's proposal to move to 100% retention of business rates the Director of Corporate Services advised the Authority's response to the local government finance settlement technical consultation had been submitted following the last Authority meeting in September. He confirmed that the Treasury would ask all Government Departments to submit their business case to justify funding requirements for the next Spending Review and the Treasury would subsequently allocate funding to Departments. Currently the Authority's funding came in part from revenue support grant, part from baseline funding including a business rate top up from Government. The Government's intention was to provide a strong incentive for local authorities to grow business rates in their area and generate additional funding however the Authority had very little if any impact on business rates. When the funding moved from the revenue support grant to 100% business rates it should be cost neutral but the detail was not available at the moment.

RESOLVED: - That the Committee noted and endorsed the financial position.

6/18 DATE AND TIME OF NEXT MEETING

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

Further meeting dates were noted for 27 March 2019 and agreed for 29 May 2019 and 25 September 2019.

7/18 URGENT BUSINESS - LANCASHIRE BUSINESS RATES POOL: 75% BUSINESS RATES RETENTION PILOT

The Director of Corporate Services advised that further to the report to the last Authority meeting in September where Members noted that Lancashire Leaders were considering the potential for Lancashire to bid to be in a 1-year pilot pool for 75% business rates retention and following subsequent consultation with the Chairman he could confirm that the Leaders had agreed to submit a bid which included all districts in Lancashire except Lancaster City Council who had formally withdrawn from the process owing to the significant risk represented by the nuclear power station at Heysham. It was noted that Lancaster were not members of the current pool arrangement for the same reason. Without Lancaster in the pool, the extra growth forecast reduced to just over £7m. Members also noted that:

- The 2019/20 pilots would not benefit from the 'no detriment' clause enjoyed by existing 100% pilots. Instead the safety net threshold for the entire pool would be raised from 92.5% to 95% to recognise the increased risk sharing.
- Participating councils would also be exposed to a higher level of business rate risk for the duration of the pilot in 2019/20. There would be a higher share of any losses, arising as a result of appeals, bad debts and empty premises, being 75% rather than the current 50%.
- The Safety Net threshold would only be activated by Central Government on a pool wide basis and was therefore unlikely to be triggered. As such each

authority would bear its own risk over and above the 5% Resilience Fund created by the additional growth.

Authorities selected as pilots would be expected to forgo Revenue Support Grant (£8.4m in 2019/20 for the Fire Authority), but the value of these grants would be taken into account when revised tariffs and top-up's for the pilot authorities were set up but the impact on the Fire Authority and other participating authorities would be revenue neutral.

The new 75% pilot, if successful, would allow Lancashire authorities to influence the policy and approach taken by Central Government on any future national scheme. Having 2019/20 as essentially a transitional year would provide an opportunity to test and gather information on the design of the new business rate retention system in preparation for the anticipated national implementation of the new arrangements in 2020/21.

Whilst it was impossible to project with any accuracy the 2019/20 financial position in terms of Business Rates Retention, based on the 2018/19 NNDR1 modelling, there was the potential for £140k additional growth to remain with the Fire Authority with our contribution to the resilience pot estimated to be £10k and £50k to the investment fund for use across Lancashire. A contribution of £2,000 or a similar amount would be made to the Lead Authority.

RESOLVED: - that the report be noted and endorsed.

#### 8/18 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.

#### 9/18 IDRP STAGE 2 - DAY CREWING PLUS PENSIONABILITY

(Paragraphs 3 and 4)

The Director of People and Development presented a report that outlined the background and current position in respect of the pensionability of the Day Crewing Plus Allowance.

RESOLVED: - Members endorsed the first three recommendations as set out in the report and requested a legal opinion be provided before determining the last recommendation.

#### 10/18 HIGH VALUE PROCUREMENT PROJECTS

(Paragraph 3)

Members considered a report that provided an update on all contracts for one-off

purchases valued in excess of £100,000 and high value procurement projects in excess of £100,000 including: new contract awards, progress of ongoing projects and details of new projects with an anticipated value exceeding £100,000.

RESOLVED: That the Committee noted and endorsed the report.

LFRS HQ  
Fulwood

M NOLAN  
Clerk to CFA

**LANCASHIRE COMBINED FIRE AUTHORITY  
RESOURCES COMMITTEE**

Meeting to be held on 28 November 2018

**FINANCIAL MONITORING 2018/19  
(Appendices 1 and 2 refer)**

Contact for further information:

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

**Executive Summary**

The report sets out the current budget position in respect of the 2018/19 revenue and capital budgets and performance against savings targets.

**Recommendation**

Resources Committee are requested to:

- note and endorse the financial position;
- approve the amendment to the 2018/19 capital budget.

**Information**

Revenue Budget

The overall position as at the end of September shows an overspend of £0.3m. We are monitoring any trends that develop to ensure that they are reflected in future year's budgets, as well as being reported to Resources Committee. In terms of the year end forecast it is still early in the year, however the latest forecast currently shows an underspend of approximately £0.1m, reflecting anticipated vacancies in the second half of the year, the lack of an apprentice FF programme and the timing of some non-pay expenditure. It should be noted that the budget allowed for a 2% July 2017 pay award for grey book personnel, this was actually agreed at 1% hence the budget was overstated by £300k, which is reflected in the position outlined above.

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

Area	Overspend / (Under spend) to 30 Sept	Forecast Outturn at 31 March	Reason
	£'000	£'000	
Winter Hill	110	110	Cost agreed to date currently stand at £1m, however it should be noted that we are awaiting outstanding invoices in relation to the incident from three FRS who assisted and as such we cannot accurately predict the final total cost.

			<p>As reported previously we intend to submit a claim under the Bellwin Scheme of Emergency Financial Assistance and hence anticipate our total net costs being limited to the threshold £110k.</p> <p>The Committee will be updated on final costs, once all claims have been received.</p>
Procurement	52	73	<p>The overspend to date and the outturn position both relate to the replacement of Personal Protective Equipment which has reached the end of its economic life. In addition the recruitment that has taken place in year has led to an increase spend on Technical Rescue Jackets, to accommodate size changes since the initial bulk purchase prior to roll out. This has ultimately lead to the need to purchase more of the more common sizes of jacket in order to hold the correct amount in the pooled stock. We are currently reviewing pooled PPE stock, which is nearing the end of its life, to determine likely outturn costs as well as on-going budget requirements.</p>
Property	103	150	<p>The overspend position relates to premises repairs and maintenance. The forecast overspend reflects some of the new minor schemes approved in year to enhance station facilities such as enhanced female facilities.</p>
Pensions	(13)	80	<p>The outturn position reflects a number of ill health retirements anticipated before the end of the financial year. This position may alter as exact costs and timing are finalised.</p>
Non DFM	(58)	(174)	<p>The year to date underspend is largely due to the increase in the bank base interest rate during the year, increasing interest receivable on our call account balances with Lancashire County Council. In addition, the outturn position reflects the above, plus interest receivable on several fixed term investments which have been put in place commencing in the second half of the year.</p>
Wholetime Pay	133	(358)	<p>The following issues affect whole-time pay:</p> <ul style="list-style-type: none"> <li>• The budget allowed for an assumed 2% pay award last year, however this did not transpire, hence in the first six months of the year there has been an underspend of £150k. (With a full year effect of £300k)</li> <li>• Overtime is overspent by approx. £60k the majority of which is attributable to the continuing policy of detaching wholetime personnel into key RDS stations.</li> </ul>



			<ul style="list-style-type: none"> <li>• As in previous years the budget includes a vacancy factor based on anticipated retirements, leavers and new recruits. During the first four months staffing numbers have been higher than forecast, due to fewer retirements, leading to overspend of approx. £100k. Whilst it is impossible to accurately predict this going forward, we have reviewed the position which is likely to reverse in the second half of the year due to a number of outstanding retirements coupled with several personnel leaving the service early. Hence we anticipate a broadly balanced position in respect of this at the year end.</li> <li>• The budget also allowed for the recruitment of 12 FF apprentices in the second half of the year, at a cost of £250k. Given the difficulty in establishing a suitable apprentice's scheme, as previously reported, it is clear that these will not be recruited until next year, and hence no costs will be incurred.</li> </ul>
Retained (RDS) Pay	217	377	<p>The following issues affect retained pay:</p> <ul style="list-style-type: none"> <li>• As referred to under whole-time pay the budget allowed for 2% pay awards in both years. Hence in the first six months of the year there has been an underspend of £22k.</li> <li>• Activity levels in the first 6 months of the year are higher than previous (excluding Winter Hill), reflecting increased hours of cover as well as an increasing number of incidents and hence pay costs are higher than forecast</li> <li>• In addition RDS recruits receive wholetime pay during the recruits course receive wholetime pay rates for two weeks, resulting in an overspend of £40k due to timing, on the two RDS courses run during the first six months</li> </ul> <p>Previously, the significant vacant posts in excess of the budgeted vacancy factor within RDS pay has mitigated any overspends, however with the improvement in retention/recruitment these are more visible, and will be reviewed for the next financial year's budget.</p>

Associate Trainers	36	60	The annual training plan is used to match planned training activity to staff available at the training centre. Where this is not possible, associate trainers are brought in to cover the shortfall. There have been several ongoing trainer vacancies throughout the year to date, which has resulted in the overspend shown, but are counteracted by corresponding underspends within wholetime pay.
Support staff (less agency staff)	(154)	(259)	The underspend to date relates to vacant posts across various departments, which are in excess of the vacancy factor built into the budget. (Note agency staff costs to date of £33k are replacing vacant support staff roles, this still only accounts for less than 1% of total support staff costs). Although some vacancies had been filled, there are a number of vacancies which have proven historically difficult to fill, most notably in ICT and Information Management, resulting in a forecast outturn underspend of £259k. The Service continues to review roles and structures before moving to recruitment.
Apprentice Levy	(7)	(19)	The apprentice levy is payable at 0.5% of each months payroll costs, the budget for this was set at anticipated establishment levels, hence the underspend against this budget reflects the various pay budget positions reported above. It should be noted that due to delays in apprenticeships standards being approved we have not been able to utilise the levy payments we have made to HMRC since April 2017. The outcome of this is that funds that have been in the levy account for 24 months and have not been utilised will be clawed back by HMRC. Whilst this will not affect the current year it will impact next year. At the present time we anticipate a claw back of £10k per month until we can fully utilise this for training costs. We have submitted an application for STC to be an approved training provider, in order to access HMRC levy funds to match training costs, however the timing of the approval process is unknown, hence no such income has been forecast in the current financial year.

## Capital Budget

The Capital Programme for 2018/19 previously stood at £16.7m, however following on from September Resources Committee we have amended the programme to remove the expected slippage as reported, hence the revised programme is now £4.1m. The slippage removed will be brought into the 2019/20 capital programme during the budget setting process, but for information are as follows:

Heading	Slipped £m	Reason
Pumping Appliances	1.134	Reflecting the anticipated stage payments in the next financial year as previously reported
Other Vehicles	0.580	Two Command Support Units (CSU), the requirements are currently being finalised with a view to undertaking a procurement exercise. However taking account of anticipated lead times the final costs associated with the purchase of these, £0.6m, will slip over into 2019/20
Operational Equipment/Future Firefighting	0.310	£160k in relation to BA radios has been moved to 2019/20 £150k associated with on-going research projects relating to new equipment has been removed to slip forwards to meet the future costs
Building Modifications	9.069	Preston Fire Station redevelopment, £6.9m has been moved into 2019/20 in relation to expected spend due to the delays associated with NWS' decision not to continue site sharing. Fleet workshop facility, £2.0m The replacement Fleet workshop is currently undergoing a detailed design prior to undertaking a tendering exercise, and again has been slipped into 2019/20.
IT systems	1.470	£1.0m relates to the national Emergency Services Mobile Communications Project (ESMCP), to replace the Airwave wide area radio system. This national project has suffered lengthy delays to date, and it is likely that the budget will slip into 19/20, therefore both the budget and associated grant have been moved into 19/20. The balance of the slippage relates to the replacement of various systems, in line with the ICT asset management plan, where progress to date indicates any eventual spend will be incurred in 2019/20.
Total	12.563	

A review of the remaining programme has been undertaken to identify progress against the schemes. The overall position as at the end of September shows £2.0m of capital expenditure. We are currently anticipating year end spend of £4.1m, with zero slippage. This position is shown is set out below, and is summarised in Appendix 2: -

Pumping Appliances	The budget allows for the first stage payment for the 7 pumping appliances ordered for the 2018/19 programme. The remainder of the budget has been included in the 2019/20 draft programme.
Other vehicles	This budget allows for the replacement of various operational support vehicles: <ul style="list-style-type: none"> <li>• One Aerial Ladder Platform which was delivered during July; and</li> <li>• One Water Tower, which is scheduled for delivery during the financial year.</li> <li>• Various support vehicles which are reviewed prior to replacement. As the lead times on these are relatively short we anticipate utilising this budget in year.</li> </ul>
Operational Equipment/Future Firefighting	This budget allowed for the initial purchase of technical rescue jackets, following the regional procurement exercise, which were delivered at the end of May and are now in service. £40k relates to the purchase of fist microphones, which include noise cancelling facilities and hence enable clearer voice transmission, thus aiding fire ground communications. The balance of £50k is to meet costs associated with on-going research projects relating to new equipment, and we anticipate utilising this in the current year.
Building Modifications	Completion of the new joint Fire & Ambulance facility at Lancaster was completed in October. Contract variations of £41k have been agreed in respect of time delays due to the discharge of planning conditions, and upgrading the appliance bay doors, however there are a further £40k variations still being discussed with the contractors. In terms of the redevelopment of Preston Fire Station, the budget allows for £0.1m of fees which may be incurred before the end of March. The final element of this capital budget relates to the balance of the Training Centre redevelopment works, largely relating to the replacement welfare/ICT porta-cabin which will be progressed before the end of the financial year.
IT systems	Given the delay on the ESMCP project, the replacement station end project has also been delayed. However we cannot delay this indefinitely and have therefore commenced work to replace the station end in the current financial year, whilst ensuring that any solution will be compatible with the eventual ESMCP solution. The budget also allows for the replacement of the Services wide area network (WAN) providing an enhanced network and improving speed of use across the Service, and having agreed a contract for this we anticipate this being completed in the current financial year.

Expenditure to date has been funded from the on-going revenue contributions, with the majority of the year end forecast also being met by this, supported by capital reserves.

## Delivery against savings targets

The following table sets out the efficiencies identified during the budget setting process, hence removed from the 2018/19 budget, and performance to date against this target: -

	Annual Target	Target at end of July	Savings at end of July
	£m	£m	£m
Staffing, including post reductions plus management of vacancies	0.059	0.030	-
Reduction in service delivery non pay budgets including the smoke detector budgets	0.090	0.045	0.018
Reduction in Fleet operational equipment budget	0.150	0.075	0.025
Reduction in capital financing charges	0.161	0.081	0.081
Procurement savings (these are savings on contract renewals, such as waste collection and stationery contracts)	-	-	0.125
Balance – cash limiting previously underspent non pay budgets	0.353	0.176	0.176
Total	0.812	0.406	0.229

The performance to date is behind of target, largely due current salary overspends and current operational equipment overspends, less procurement activities during the period. It is anticipated that we will meet our efficiency target for the financial year.

### **Financial Implications**

As outlined in the report

### **Business Risk Implications**

None

### **Environmental Impact**

None

### **Equality and Diversity Implications**

None

**Human Resource Implications**

None

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

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

## APPENDIX 1

<b>BUDGET MONITORING STATEMENT SEPT 2018</b>	<b>Total Budget</b>	<b>Budgeted Spend to Sept 2018</b>	<b>Actual Spend to Sept 2018</b>	<b>Variance O/Spend (U/Spend)</b>	<b>Variance Pay</b>	<b>Variance Non-Pay</b>	<b>Forecast outturn</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Service Delivery</b>							
Service Delivery	30,572	15,365	15,661	297	342	(45)	48
Winter Hill	-	-	110	110	-	110	110
Training & Operational Review	4,014	1,973	1,965	(8)	(7)	(1)	10
Control	1,183	1,183	1,175	(8)	-	(8)	(8)
Prince's Trust Volunteers Scheme	-	148	127	(22)	-	(22)	2
Special Projects	(8)	(14)	(14)	(1)	-	(1)	(1)
<b>Strategy &amp; Planning</b>							
Fleet & Technical Services	2,214	1,272	1,288	16	9	8	(25)
Information Technology	2,515	1,246	1,196	(50)	(66)	16	(16)
Service Development	3,935	1,990	1,958	(32)	(43)	11	3
<b>People &amp; Development</b>							
Human Resources	694	365	323	(42)	3	(45)	(43)
Occupational Health Unit	257	129	109	(20)	(2)	(18)	(47)
Corporate Communications	299	154	137	(17)	6	(23)	(7)
Safety Health & Environment	219	101	100	(1)	2	(3)	(12)
<b>Corporate Services</b>							
Executive Board	1,014	524	531	7	11	(4)	(8)
Central Admin Office	799	393	371	(22)	(20)	(2)	(4)
Finance	143	71	69	(2)	(3)	1	0
Procurement	796	480	529	50	(2)	52	73
Property	1,304	790	895	105	2	103	150
External Funding	-	(21)	(21)	0	(0)	0	1
Pay							(196)
<b>TOTAL DFM EXPENDITURE</b>	<b>49,952</b>	<b>26,147</b>	<b>26,509</b>	<b>361</b>	<b>231</b>	<b>131</b>	<b>31</b>
<b>Non DFM Expenditure</b>							
Pensions Expenditure	1,178	740	726	(13)	-	(13)	80
Other Non-DFM Expenditure	3,641	931	867	(64)	(6)	(58)	(174)
<b>NON-DFM EXPENDITURE</b>	<b>4,818</b>	<b>1,671</b>	<b>1,593</b>	<b>(77)</b>	<b>(6)</b>	<b>(71)</b>	<b>(93)</b>
<b>TOTAL BUDGET</b>	<b>54,770</b>	<b>27,818</b>	<b>28,102</b>	<b>284</b>	<b>225</b>	<b>59</b>	<b>(62)</b>

## APPENDIX 2

CAPITAL BUDGET 2018/19	Revised Programme	Resources Nov	Revised Prog	Actual Exp	Year End Forecast	Slippage	Est final Cost	Over/ (Under) Spend
<b>Vehicles</b>								
Pumping Appliance	1.484	(1.134)	0.350	-	0.350	(0.000)	0.350	-
Other Vehicles	1.990	(0.580)	1.410	1.086	1.410	-	1.410	-
	3.474	(1.714)	1.760	1.086	1.760	(0.000)	1.760	-
<b>Operational Equipment</b>								
Operational Equipment	0.776	(0.310)	0.466	0.408	0.466	(0.000)	0.466	-
	0.776	(0.310)	0.466	0.408	0.466	(0.000)	0.466	-
<b>Buildings Modifications</b>								
STC Redevelopment	2.569	(2.169)	0.400	-	0.400	0.000	0.400	-
Lancaster Replacement	0.621	-	0.621	0.489	0.621	-	0.621	-
Preston Replacement	7.000	(6.900)	0.100	-	0.100	0.000	0.100	-
	10.190	(9.069)	1.121	0.489	1.121	0.000	1.121	-
<b>ICT</b>								
IT Systems	2.250	(1.470)	0.780	-	0.780	-	0.780	-
	2.250	(1.470)	0.780	-	0.780	-	0.780	-
<b>Total Capital Requirement</b>	<b>16.690</b>	<b>(12.563)</b>	<b>4.127</b>	<b>1.983</b>	<b>4.127</b>	<b>0.000</b>	<b>4.127</b>	<b>-</b>
<b>Funding</b>								
Capital Grant	1.000	(1.000)	-	-	-	-	-	-
Revenue Contributions	2.000	-	2.000	1.983	2.000	-	2.000	-
Earmarked Reserves	0.025	-	0.025	-	0.025	-	0.025	-
Capital Reserves	13.665	(11.563)	2.102	-	2.102	0.000	2.102	-
<b>Total Capital Funding</b>	<b>16.690</b>	<b>(12.563)</b>	<b>4.127</b>	<b>1.983</b>	<b>4.127</b>	<b>0.000</b>	<b>4.127</b>	<b>-</b>



## **LANCASHIRE COMBINED FIRE AUTHORITY RESOURCES COMMITTEE**

Meeting to be held on 28 November 2019

### **TREASURY MANAGEMENT MID-YEAR REPORT 2018/19 (Appendix 1 refers)**

#### **Contact for further information:**

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

#### **Executive Summary**

The report sets out the Authority's borrowing and lending activities during 2018/19. Decisions taken were in accordance with the Treasury Management Strategy and were based on anticipated spending and interest rates prevailing at the time.

#### **Recommendation**

The Authority is asked to note and endorse the report.

#### **Information**

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

#### **Economic Overview**

During the period, economic growth has continued to be positive, albeit at historically low levels, and unemployment is low with the Bank of England projecting that it will fall a little further. At the same time, inflation has remained above the Bank of England's 2% target rate. In August the CPI rose to 2.7%. As a consequence of these economic factors, in August the Bank of England's Monetary Policy Committee (MPC) voted unanimously to increase Bank Rate by 0.25% from 0.50% to 0.75%.

Internationally, the US economy has continued to grow and at their meeting in September the central bank increased interest rates for the third time in 2018. In Europe the level of growth has moderated after a period of strong growth.

There is still a lot of uncertainty over the economy much of it arising from political factors. Domestically, the progress and unknown impact of the UK's withdrawal from the European Union continues to dampen investment. On the world economy the period has seen an increase in the potential for a trade war between the USA and China.

## Outlook for Interest Rates

The Bank of England has raised expectations of gradual increases in interest rates and the increase in August was part of this. It is expected that this trend will continue. This is reflected in the County Council's Treasury advisers Arlingclose forecast for interest rates. Their central forecast sees a further 0.25% increase in March and September 2019 which would take the bank rate to 1.25%. They anticipate the rate would then stay constant up to September 2021 which is the end of the forecast period. However, with the current economic data and the risks in the economy they consider that there are also downside risks to the forecast.

Forecast for the key rates are shown below:

Period	Bank Rate	3 month money market	12 month money market	20-year Gilt Rate
Q4 2018	0.75	0.8	1.05	1.9
Q1 2019	1.0	1.0	1.25	1.95
Q2 2019	1.0	1.1	1.35	1.95
Q3 2019	1.25	1.2	1.4	2.0
Q4 2019	1.25	1.3	1.5	2.0
Q1 2020	1.25	1.3	1.45	2.0
Q2 2020	1.25	1.25	1.4	2.0
Q3 2020	1.25	1.2	1.4	2.0
Q4 2020	1.25	1.2	1.4	2.0
Q1 2021	1.25	1.2	1.4	2.0
Q2 2021	1.25	1.2	1.4	2.0
Q3 2021	1.25	1.2	1.4	2.0
Q4 2021	1.25	1.2	1.4	2.0

## Treasury Management position and Policy

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The treasury management activity is influenced both by the position at the beginning of the year and the plans in year. The position at the start of the financial year are summarised in the Table over the page:

	Balance 31.3.18
	£m
Capital Finance Requirement	14.518
Less other debt liabilities	-14.231
Borrowing Requirement	287
External borrowing	2.000
Reserves	35,232
Working capital	-2.577
Available for investment	32.655
Investments	33.555

The table above shows that the level of loans was above the CFR at 31.3.18. This is the result of the Authority adopting 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.

It is not anticipated that the new capital expenditure will be funded from borrowing in the year while it was anticipated that there may be some reduction in the level of reserves held.

### **Borrowing**

There has been no new borrowing in the first six months of the financial year. This is consistent with the position that the current borrowing is above the CFR and there are no planned need to borrow.

All of the Fire Authority's existing borrowing is from the Public Works Loan Board. The long term debt outstanding at the beginning of the year was £2m which has remained unchanged up to 30<sup>th</sup> September.

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

Loan Amount (£m)	Maturity Date	Interest rate (%)
0.700	June 2037	4.480
0.650	June 2036	4.490
0.650	December 2035	4.490

Consideration is given to the early repayment of the loans. However, these would be subject to an early repayment (preuim) charge. The authority did repay debt in 2017/18 but at the time it was considered that the preuim on these loans was such that it was not financially beneficial to repay the loans. This is still considered to be the case with the estimated preuim charge to repay the three loans being £0.855m.

## Investments

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

The Authority principally invests in a call account provided by Lancashire County Council which pays the base rate. Each working day the balance on the Authority's Current Account is invested in this to ensure that the interest received on surplus balances is maximised. During the period any new investments were placed with the County Council via this arrangement. At 30<sup>th</sup> September there was a balance of £37.970m with the average balance invested in LCC for the period was £32.202m.

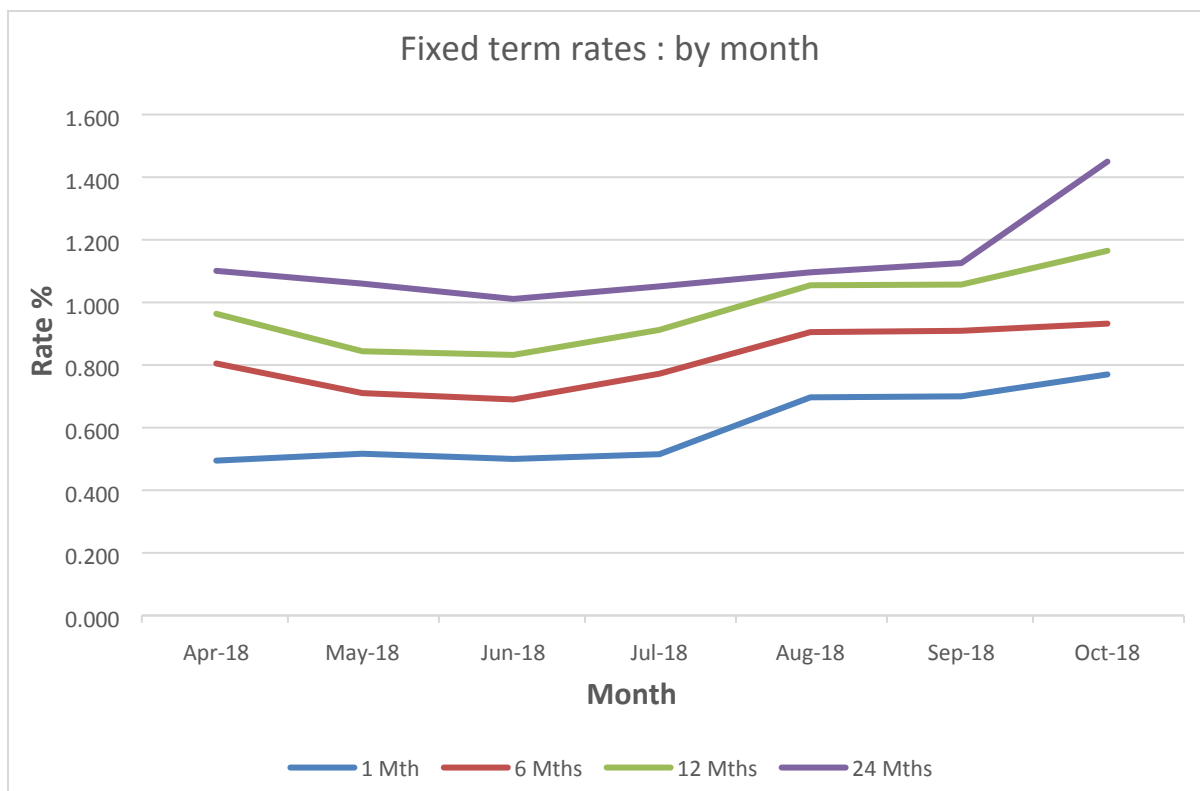
In addition the Authority has a long term investments that has been placed with UK local authority as outlined below.

Start Date	End Date	Principal	Rate	Annual Interest	Interest 2018/19
30/6/14	28/6/19	£5,000,000	2.4%	£120,000	£120,000

Therefore the total investment held at 30 September is £42.970m.

The overall the rate of interest earned during this period was 0.84% which compares favourably with the benchmark 7 day LIBOR index which averages 0.56% over the same period.

In order to increase the rate earned on current balances, the authority would need to place fixed investments for a longer period of time. Attached at appendix 1 is a forecast cash flow for the year. This shows that further sums could be placed on fixed term investments. However, to obtain a better interest rate return than the call account would involve fixing investment for at least 3 months. The graph over the page shows the fixed term rates available in the market; although with the limits on the credit rating of the counterparties in the Fire Strategy the rate available to the Authority may be slightly lower.



The possibility for longer term investments is kept under constant review and suitable opportunities will be taken. Therefore, to increase yield while maintaining security the following fixed rate deals with other local authorities have been arranged:

Start Date	End Date	Principal	rate	Annual interest	Interest 18/19
18/10/18	19/10/20	£5,000,000	1.15%	£57,500	£25,993
19/11/18	18/11/19	£5,000,000	1.00%	£50,000	£18,356
19/12/18	19/06/19	£5,000,000	0.92%	£46,000	£12,981

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

### Prudential Indicators

In order to control and monitor the Authority's treasury management functions, a number of prudential indicators are determined against which performance may be measured. The indicators for 2018/19 were approved by the Authority on 19 February 2018 are shown in the table over the page alongside the current actual.

	<b>2018/19 PIs</b>	<b>Actual at 30.9.18</b>
<b>Adoption of the CIPFA Code of Practice for Treasury Management</b>	Adopted	Adopted
<b>Authorised limit for external debt</b>	£m	£m
A prudent estimate of total external debt, which does not reflect the worst case scenario, but allows sufficient headroom for unusual cash movements		
Borrowing	5.000	2.000
Other long-term liabilities	15.000	14.056
Total	20.000	16.056
<b>Operational boundary for external debt</b>		
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	3.000	2.000
Other long-term liabilities	14.200	14.056
Total	17.200	16.056
<b>Upper limit for fixed interest rate exposure</b>		
Borrowing	100%	100%
Investments	100%	11.6%
<b>Upper limit for variable rate exposure</b>		
Borrowing	25%	0%
Investments	100%	88.4%
<b>Upper limit for total principal sums invested for over 364 days (per maturity date)</b>	25.000	0.000
<b>Maturity structure of loan debt</b>	<b>Upper/ Lower Limits</b>	<b>Actual %</b>
Under 12 months	100% / nil	0%
12 months and within 24 months	30% / nil	0%
24 months and within 5 years	50% / nil	0%
5 years and within 10 years	50% / nil	0%
10 years and above	100% / nil	100%

## Regulatory Updates

CIPFA has introduced updated versions of the Prudential and Treasury Management Codes. In addition the MHCLG has re-written its Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return. This will cover loans to employees. The Authority will need to produce a Capital Strategy and an Investment Strategy.

## **Financial Implications**

Included within report above

## **Human Resource Implications**

None

## **Equality and Diversity Implications**

None

## **Business Risk Implications**

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

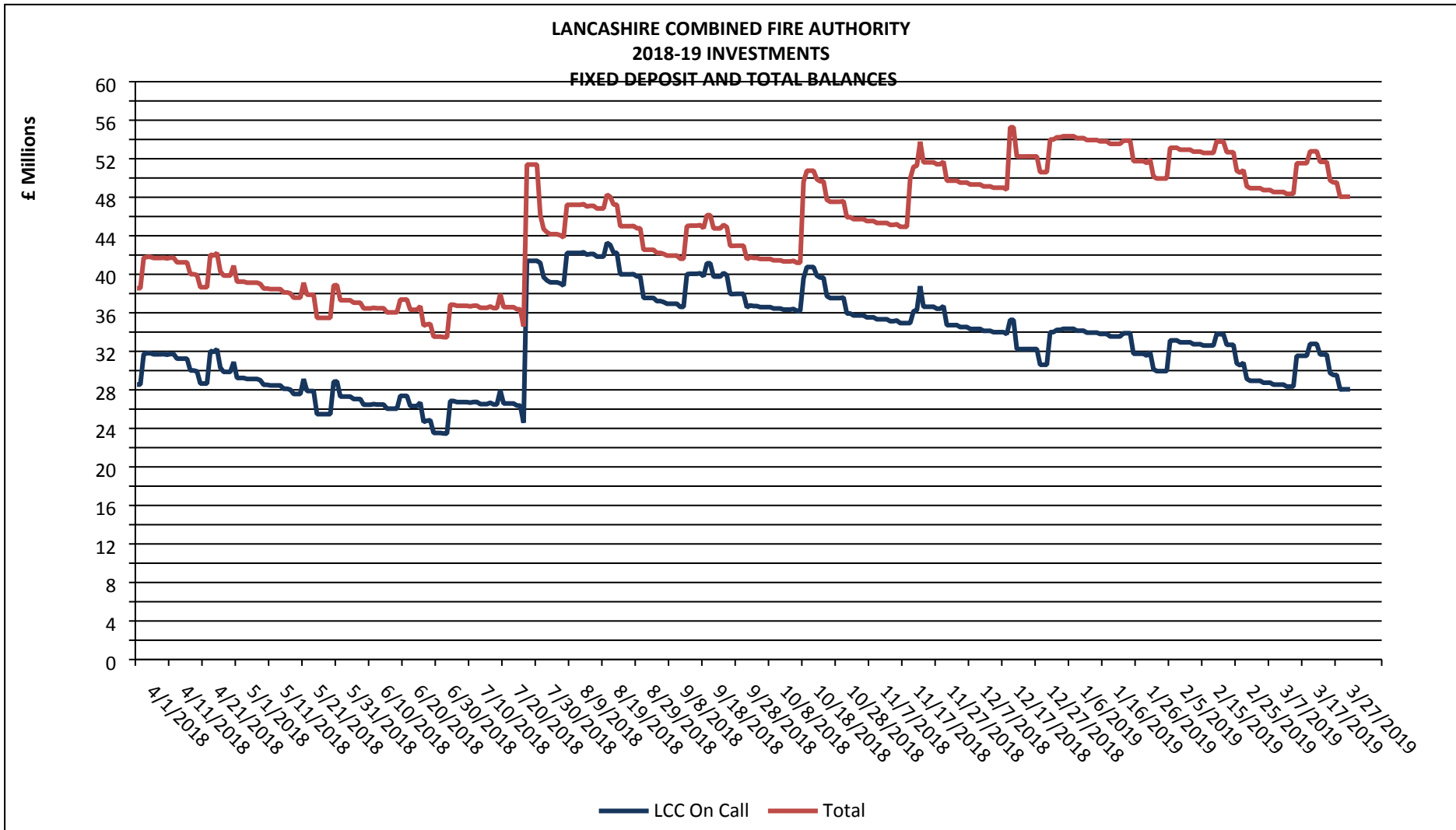
However, it must be acknowledged that there will always be a balance between risk and return and hence the strategy does not completely eliminate the risk of any further default on investments in the future.

## **Environmental Impact**

None

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

Paper	Date	Contact
Treasury Management Strategy 2018/19	February 2018	Keith Mattinson, Director of Corporate Services
Reason for inclusion in Part II, if appropriate:		





## LANCASHIRE COMBINED FIRE AUTHORITY RESOURCES COMMITTEE

Meeting to be held on 28 November 2018

### SERVICE TRAINING CENTRE CAPITAL INVESTMENT

Contact for further information:

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

#### Executive Summary

The report sets out capital works required at Service Training Centre (STC) in order to address some of the concerns about the current facilities.

It recommends investment in:-

- A refurbishment of the Fire House;
- An extension to the existing Fleet Workshop to provide a number of enhanced facilities;
- A refurbishment of Astley House to provide improved Incident Command Training facilities;
- An enhanced conferencing facilities and disabled access at Lancaster House, subject to agreement on the long term future of this facility.

#### Decisions Required

The Committee is asked to:-

- Approve the refurbishment of the Fire House at an estimated cost of £350k;
- Approve the extension of Fleet Garage at an estimated cost of £3,900k or consider whether Members wish to set up a separate working group to review this alongside SHQ options;
- Approve the refurbishment of Astley House at an estimated cost of £350k (or consider referring this to the member working group referred to above);
- Note the potential cost of £360k associated with refurbishing the conference facilities at Lancaster House, and consider this alongside any decision relating to SHQ relocation.

#### Current facilities at STC

STC comprises a number of dedicated buildings covering a variety of functions:-

- Lancaster House: this was constructed in the 70s and has had various refurbishment works done, the most recent being 2011.
- Astley House: this was constructed in 1988 and had various refurbishment works done in 2011, with temporary extensions added last year to accommodate changing regulations.
- Minerva/Incident Command Suite, this is a porta-cabin type building dating back to the 90s and has had minimal works done to it since this date.
- Fleet Garage: this was constructed in 2012.

- Alf Ramsey House: this is a pre-fabricated concrete framed building dating back to the 40s and has had minimal works done to it since this date.
- Drill Yard Classroom – this was replaced in 2017.
- Fire Ground Classroom – this is being replaced in the current financial year.
- Moira’s rest: this is a porta-cabin type building dating back to the 80s and has had minimal works done to it since this date (there is no proposal to amend this).
- Midgeley House: this is a porta-cabin type building dating back to the 90s and has had minimal works done to it since this date.

In addition the following practical training facilities exist:

- Fire house.
- Main Drill Yard: two single drill towers, two joined drill towers.
- Open Water Dam.
- Road Traffic Collision training pad.
- External Large Animal Rescue training area.
- Gallery 1: rope rescue, breathing apparatus crawl gallery with attached silo.
- Gallery 2: two storey compartment firefighting prop constructed from shipping containers (dated and in need of repair).
- Fire Ground 2: Individual fire behaviour galleries constructed from shipping containers, utilised for compartment firefighting, flash over and back draft demonstrations and attack exercises.
- Fire Ground 3 – Fire Investigation (FI) units and other fire demonstration units. Plus the UCLAN FI and fire behaviour testing rig.
- External extinguisher training area.
- USAR training props.
- Multi Compartment Fire Fighting prop.

Due to a lack of historical investment a number of these facilities have/are reaching the end of their economic life and either need replacing or refurbishing, and the following significant issues have been identified:-

- The Firehouse is in need of refurbishment in order to extend its life and ensure it remains fit for purpose.
- The current conference facilities in Lancaster House are of poor quality, situated in a gymnasium, wasteful of space and do not provide adequate disabled facilities.
- There is no facility to allow disabled access to the first floor of Lancaster House.
- The current BA School in Astley House is not currently fit for purpose. Due to the publication of recent reports into the effect of contaminated P.P.E. and other equipment, the layout of Astley House doesn’t lend itself to the Service discharging its responsibilities under the Management of Health and Safety at Work Regs. as it does not adequately separate out dirty PPE and BA Kit from occupied space.
- There is a requirement to provide new equipment workshop facilities as the current provision is contained in an unsuitable “borrowed” space.

- There is the potential to provide secure space for training school vehicles and spare vehicles.
- There is the potential to create a suitable fitness and training facility as a part of the requirement for fire fighters to maintain fitness levels.
- There is a requirement to expand the BA Servicing facility as it is no longer adequate as a result of an increase in workload of the facility.
- The Portacabin known as Midgely House, previously used as sleeping accommodation, now being used for trainers office accommodation is beyond the end of its economic life, is expensive to run and does not meet modern sanitary, space or environmental standards.
- The Portacabin known as Minerva Building used as the Incident Command Training Suite is towards the end of its economic life, is expensive to run and does not meet modern sanitary, space or environmental standards. In addition, it does not allow a full provision of Incident Command Training Scenarios.

### **Required Investment**

Required investment can be broken down into four distinct areas:-

- Fire House;
- Fleet Garage Extension;
- Astley House Refurbishment;
- Lancaster House.

No allowance has been made for the potential relocation of SHQ to the site. Members will recall that this project was previously approved in 2012/13 at a capital cost of £10m, however this was put on hold in 2013 and remains so, pending the outcome of discussions with the Police about shared estates strategy. It is worth noting that even if the relocation of SHQ project was live it would have minimal impact on these proposals, as the only facilities' included in these proposal which also featured in the HQ project were the relocation of the Incident Command Training facility and the development of conferencing facilities replacing those in Lancaster House.

It is also worth noting that the type of buildings that are referred to in the following options would not be suitable for a HQ or main training facility, as they are a simpler more cost effective portal construction, similar to the existing Fleet garage facility.

Furthermore in the five years that has elapsed the cost of relocating HQ will have changed significantly due to inflationary impacts and also changing requirements.

### **Fire House**

The Fire House has been in situ for almost 30 years. The Condition Survey of the Fire House undertaken in November 2017, confirmed the following "The Fire House was constructed in the 1980's and has been well used, with only minimum maintenance undertaken and this is reflected in its overall condition. "

Overall it is in good condition with some repairs being necessary to prevent further deterioration. These repairs if undertaken in the next 12 months will prevent further deterioration of the structure and the building should, if correctly maintained remain in good condition without requiring major expenditure on the fabric for a further 20 years.

The Building Services systems are in a much poorer condition and are well beyond their replacement cycle. Failure to replace these, whilst not affecting the fabric of the building will hinder and slow a safe evacuation of the building in an emergency, therefore replacement of safety critical systems such as the lighting system is recommended. Given the conditions found in a fire house, it is expected that the average life expectancy of the building services systems will be ten years, rather than the 20 years of a typical office or fire station premise

As part of any refurbishment additional works could be undertaken. This will provide more versatility in terms of the range of scenarios on offer in this facility. During the review of National Operational Guidance it has been identified that currently LFRS has a very limited provision for basement firefighting training. Therefore the proposal replaces two of the existing raking ladders with staircases, providing a better range of options for typical firefighting scenarios. It will also provide an option for a realistic basement scenario, albeit the entry will be from the roof terrace area on the second floor.

It is not possible to amend the design of the building to provide an effective High Rise Training facility, hence provision of that training facility will need to be sourced elsewhere.

The estimated capital cost of the proposed refurbishment is £350k, and the works are currently planned for April-June next year. The cost of this work can be met from the capital budget identified for 2019/20, as set out in the draft capital programme presented last year.

### **Fleet Garage Extension**

This project initially started as an extension to provide an enhanced workshop facility for the Fleet and Engineering Services maintenance team, who have relocated to STC to work alongside BA recovery colleagues and provide a more integrated service, thus delivering staffing efficiencies.

Changes to BA training/servicing, including the need to separate out dirty and clean areas and therefore avoid cross contamination, and the need to expand the size of the servicing area to accommodate increased work as maintenance is no longer carried out on station, has led to an increased scope.

Further scoping works were undertaken to identify any other requirements that STC had for this type of building, an element of which was considering how the requirement was currently met and what the long-term viability of existing facilities was. This led to a proposal to include the provision of a number of additional facilities within the new build:-

- Provision of suitable accommodation for trainers, which is currently provided in Midgeley House, including enhancement of female facilities.
- Provision of suitable “dirty” welfare facilities/lockers for recruits/students, at the present time the only facilities are provided in Astley House and are not separated into clean and dirty facilities, and thereby don’t lend themselves to the Service discharging it’s responsibilities under the Management of Health and Safety at Work Regs.
- Provision of gym facilities, replacing those in Alf Ramsey House and enabling this building to be returned to its original use, as a storage facility.
- Provision of Driving School accommodation, replacing that included in Lancaster House which will could be re-utilised as an enhanced ICT resilience facility as well as ICT training suite (no costings have been allowed for this pending a decision on what equipment is required for this).
- Provision of a Training Area, enabling amongst other things improved fitness testing and providing enhanced outdoor training facilities for inclement weather.
- Provision of a new secure vehicle compound, as the site is now more accessible as it is used by other parties.

The estimated capital cost of this work, including the demolition of the old Midgeley House building, is £3,900k.

A summary of the benefits of these proposals is set out below:

- Enhanced facilities for Fleet and Equipment Services;
- Breathing Apparatus Classrooms;
- Breathing Apparatus Cleaning (internal and External) and Storage area;
- Breathing Apparatus Cylinder Charging and Storage Facilities;
- Enhanced Breathing Apparatus decontamination facilities;
- Additional Space for Breathing Apparatus Recovery;
- P.P.E. Storage and Management Facilities;
- Enhanced EDI facilities;
- Additional dedicated Student Locker Rooms, Changing Area and Shower Facilities;
- Trainer and Trainer Support Locker Room, Changing Area and Shower Facilities;
- Trainer Office and ICT Facilities;
- Dedicated Gym Facility;
- Covered External Area for Physical Fitness Testing;
- Teaching and Office Facilities for Driving School;
- Relocation of the Fire Brigades Union Office;
- Relocation of the existing ICT Suite from Astley House.

### **Astley House Refurbishment**

The move of BA training from Astley House to the Fleet Garage extension provides an opportunity to re-utilise the top floor (the bottom floor will remain as it is at present providing welfare/locker facilities for clean training that takes place). In order to maximise this opportunity it is proposed to redesign the top floor to incorporate an

upgraded Incident Command facility, thus enabling the Minerva building to be demolished. This work was included in the original HQ proposals, hence should this option be pursued the original HQ relocation would need to be amended (however it is worth noting that this accounted for less than 5% of the original plan and therefore would have fairly limited impact on costings.)

The estimated capital cost of this work, including the demolition of the old Minerva building, is £350k.

### **Combined Business Case Fleet Garage Extension and Astley House Refurbishment**

A business case in respect of this combined change has been produced looking at four options:-

- Option 1: Do Minimum using existing buildings only;
- Option 2: Do Minimum using existing buildings and extending them as required;
- Option 3: Structural refurbishment and extension to provide all requirements and a full twenty five year life expectancy;
- Option 4: New Build and limited refurbishment of existing (the option outlined above).

A summary comparison is set out below:-

<b>Option</b>	<b>Total Built Floor Area</b>	<b>Capital Cost</b>	<b>Annual Life Cycle Cost</b>	<b>Twenty Five Year Whole Life Cost</b>
Option 1: Existing Buildings only	1244sm	£1,023,990	£80,975	£3,048,365
Option 2: Do Minimum	2677sm	£4,140,127	£128,396	£7,350,027
Option 3: Full Refurbishment	2756sm	£5,201,340	£84,073	£7,303,165
Option 4: New Build	2575sm	£4,256,830	£69,706	£5,999,480

Whilst Option 4 has the least built area, it does have the second highest capital cost requirement, but this is offset by the lowest life cycle cost of the options, combining to create the lowest whole life cost of the three site development options (Options 2, 3 and 4).

Option 1 clearly identifies that there is a considerable cost requirement to simply retain the existing buildings on the site as a number of them are reaching the end of their useful lives and require considerable expenditure. Expenditure of this magnitude on portable buildings beyond the end of their design life is ill advised and will have no effect on their asset value, which will continue to decline.

When viewed against this consideration, Option 4, represents an additional capital cost of £3.2m (over and above the base option), which will provide:

- a reduction in revenue costs of £11k per annum (£282k over 25 years);

- a net increase of 1,331 square metres of floor space;
- an increase in the asset value of the property;
- address the business need for a compliant building;
- provide modern fit for purpose office and training environments;
- relocate the Incident Command Suite and Command Team to Astley House providing a more suitable facility.

## **Lancaster House**

Members will recall that two options were considered in respect of the proposals to relocate HQ to this site:-

- Construction of a new facility replacing that at SHQ, but main tainting Lancaster House in its current format;
- Demolishing Lancaster House and constructing one new combined facility.

At the time of the proposal Members agreed the second option, in order to provide a new combined facility. This new building would include conferencing facilities, and hence would make the following proposal redundant. However should Lancaster House remain in its current guise in the long term then some improvements are required.

In 2011 some refurbishment work was undertaken to improve facilities and extend its usable life, pending any decision on the potential relocation of SHQ. At that time the old gymnasium was converted to a large open space which has been used as a conferencing facility, but it is clearly far from ideal. Further to this the toilet facilities for this is extremely poor, with no disabled facility. Nor is there any facility to allow disabled access to the first floor of Lancaster House, and hence this does not comply with the “access for all” agenda. (It doesn’t currently contravene legislation, but it would do if LFRS had a disabled employee or visitor trying to access the space).

To address these issues and enhance the environment with suitable facilities for a modern conference venue two options have been reviewed:-

- Option A - Create a “fit for purpose” modern, flexible conference space with associated upgraded toilet facilities including the provision of a disabled toilet. This will ensure that the ground floor and conference facility comply with current legislation, which they currently do not. The conference facility will be capable of division to create two medium sized meeting rooms or one large room for pass out parades and authority meetings. Costs are estimated at £320k;
- Option B - As above but with the addition of creating disabled access to the first floor. Costs are estimated at £360k. It should be noted that this option will not fully comply with disabled access requirements as there will still be no disabled access to the office accommodation on the mezzanine level.

Until such time as a decision on the long-term future of Lancaster House is reached it is not proposed to pursue this option further. However should Lancaster House be retained in its current usage, option B is the preferred option, i.e. providing enhanced conferencing facilities and some disabled access to classrooms.

## Summary

Approval of this work would future proof the site and address some of the under-investment that has historically occurred, although it should be recognised that changing training requirements may impact on this.

With the exception of Lancaster House works none of this will be impacted by the potential relocation of SHQ, nor will it impact on the likely site for any relocation. It is also worth noting that the potential relocation of Police Civil Disorder training will not impact on this works either.

## Timing

If supported this work will need to be considered alongside the other capital programme items to agree a draft timetable for construction/refurbishment. However in terms of current thinking the fire House is scheduled for refurbishment in April-July 2019, and this timing is currently reflected in next year's training plan. The new Fleet Garage extension could commence in 19/20, although it is likely to span 19/20 and 20/21. Changes to Astley House would be scheduled after this work is completed (late 20/21). Conferencing facilities at STC are dependent on other decisions, hence a realistic timeframe appears to be late 20/21, but it should be recognised that we will not comply with disability requirements until such time as works are undertaken.

## Financial Implications

The capital budget approved last year includes the

Fleet Workshop Extension (18/19)	£2,400k
Fire House Refurbishment (19/20)	£750k
Minerva Replacement (19/20)	£1,250k
Lancaster House Refurbishment (19/20)	£500k
	<b>£4,900k</b>

Based on the above options estimated costs are

Fire House Refurbishment	£350k
Fleet Workshop Extension	£3,900k
Astley House Refurbishment	£350k
Lancaster House Refurbishment	£360k
Total	<b>£4,960k</b>

As such estimated costs are broadly in line with budget, but will be subject to change dependent upon inflationary pressures and any future revision to plans.

## Business Risk Implications

None



### **Environmental Impact**

Separation of clean and dirty areas will enhance compliance with environmental issues.

### **Equality and Diversity Implications**

Current facilities do not meet equality and diversity requirements, and the plans for the Fleet workshop extension and Lancaster House will address the majority of these.

### **Human Resource Implications**

None

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

<b>Paper</b>	<b>Date</b>	<b>Contact</b>
SHQ Relocation Business Case	2012	Keith Mattinson
Reason for inclusion in Part II, if appropriate:		

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## LANCASHIRE COMBINED FIRE AUTHORITY RESOURCES COMMITTEE – URGENT BUSINESS

### LANCASHIRE BUSINESS RATES PILOT POOL: MEMORANDUM OF UNDERSTANDING (Appendix 1 refers)

Contact for further information:

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

#### **Executive Summary**

The Authority has previously agreed to be part of the Lancashire Business Rates Pilot Pool, and on that basis a joint bid has been submitted to the Ministry of Housing, Communities and Local Government.

We have now been asked to submit a Memorandum of Understanding to support the application to be a Pilot Pool. A draft MOU is attached as appendix 1, which needs signing by the relevant Section 151 officers and submitting to the Ministry by 30 November.

The MOU is based on the principles of the application already submitted.

#### **Recommendation**

The Committee are asked to approve the signing of the MOU by the Treasurer,

#### **Information**

As set out in the Executive Summary

#### **Financial Implications**

As previously reported it is impossible to project with any accuracy the 2019/20 financial position in terms of Business Rates Retention, based on the 2018/19 NNDR1 modelling, there is the potential for £140k additional growth to remain with the Fire Authority with our contribution to the resilience pot estimated to be £10k and £50k to the investment fund for use across Lancashire. A contribution of £2k will be made to the Lead Authority.

#### **Business Risk Implications**

None

#### **Environmental Impact**

None

**Equality and Diversity Implications**

None

**Human Resource Implications**

None

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

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

This Memorandum of Understanding (MoU) sets out the Governance Arrangements that are voluntarily entered into by members of the Lancashire Business Rates Pilot Pool.

### 1. PURPOSE OF PILOT POOL

- 1.1 It is the intention of Pool Members to improve the well-being of the communities they serve. By forming a Pool they can retain a greater proportion of business rate growth within the geographic area therefore providing opportunities to promote further economic growth as well as building financial resilience.
- 1.2 The Pool is entirely voluntary and builds on the strong and well established partnership between the Lancashire authorities. The Lancashire Business Rates Pilot Pool is a natural Pooling arrangement given our geography.
- 1.3 It is the purpose of this MoU to act as a statement of intent that will support the realisation of the above benefits.

### 2. GLOSSARY OF KEY TERMS

#### Lead Authority

- 2.1 The Pool member who will act as the lead in managing the Pool's resources and being the key contact between central government and the Pool

#### Schedule of Payments

- 2.2 The Lead Authority will prepare an annual schedule that reflects the payments to be processed through the pool, clearly indicating the amount and timings of each payment.

#### Additional Growth

- 2.3 The amount of business rates growth which is over and above the amount that a member would have received if they had not joined this Pilot Pool.

#### Pilot Pool Governing Body

- 2.4 The Pilot Pool Governing Body will consist of the Leaders of the local authorities in the Pilot Pool and Chairman of the Lancashire Fire and Rescue Authority.

#### Pilot Pool Executive Body

- 2.5 An Executive Body will consist of the S151 Officers of the Pool Members.

### 3. POOL MEMBERSHIP:

- Blackburn with Darwen Council
- Blackpool Council
- Burnley Borough Council
- Chorley Borough Council
- Fylde Borough Council

- Hyndburn Borough Council
- Lancashire County Council
- Lancashire Combined Fire Authority
- Pendle Borough Council
- Preston City Council
- Ribble Valley Borough Council
- Rossendale Borough Council
- South Ribble Borough Council
- West Lancashire Borough Council
- Wyre Borough Council

#### 4. TERM OF AGREEMENT

- 4.1 This Agreement shall continue to be in place unless terminated in accordance with these terms.
- 4.2 Any Pool Member can leave the Pool from 1 April of the following financial year providing:
- Written notice is given to other Pool Members and MHCLG in at least sufficient time for the Pool to apply to continue for the remaining Pool Members, should they wish it to continue. Sufficient time is taken to be at least the time specified by MHCLG regulations and/or guidance.
  - All liabilities to and from the Pool are paid.

#### 5. GOVERNANCE

- 5.1 The Pilot Pool Governing Body will consist of the Leaders of the local authorities in the Pilot Pool and Chairman of the Lancashire Combined Fire Authority or their nominated representatives.
- 5.2 Meetings of the Governing Body will be arranged when required and hosted by the Lead Authority.
- 5.3 Each member will have one vote in relation to decisions to be taken by the Governing Body.
- 5.4 The Governing Body will receive monitoring reports during the year which will forecast growth/losses for pilot members.
- 5.5 The Governing Body will make decisions regarding how the strategic growth and resilience fund will be allocated. Any decision must be unanimous with each member authority being present and voting for the decision to be effective.

5.6 An Executive Body will consist of the S151 Officers of the Pool Members or their nominated representatives. The Executive Body will make recommendations, when required, on operational matters to the Governing Body.

### 6. LEAD AUTHORITY

6.1 Ribble Valley Borough Council will act as Lead Authority for the Pilot Pool.

6.2 The responsibilities of the Lead Authority are:

- To make payments on behalf of the Pool to central government and Pool Members on time and in accordance with the schedule of payments.
- To prepare an annual forecast on the projected Pool outturn based on NNDR1's.
- To prepare an annual report on the Pool outturn and supply information required by Pool Members in preparing their Statement of Accounts.
- To liaise with and complete all formal Pool returns to central government on behalf of Pool Members.
- To keep Pool Members informed of all communications with central government.
- To manage the resources of the Pool in accordance with this MoU.

6.3 The Lead Authority is responsible for all accounting requirements as set out in legislation.

6.4 The Lead Authority will be paid £2,000 per annum by each pool member. This will be payable on 1 April each year.

### 7. RESPONSIBILITIES OF POOL MEMBERS

7.1 To assist the Lead Authority in fulfilling their role, the responsibilities on individual Pool Members are:

- To make payments on time and in accordance with the schedule of payments.
- To pay amounts due to the Lead Authority in respect of contributions to the risk reserve and the strategic growth and resilience fund.
- To provide accurate and timely information to the Lead Authority to enable all formal Pool returns to central government to be completed.
- To inform the Lead Authority, as soon as is practical, of any intelligence that may impact on the resources of the Pool either in the current year or in future years.
- To provide such information as the Chief Finance Officers agree is reasonable and necessary to monitor/forecast the Pool's resources within the timescales agreed.
- To provide such information as the Chief Finance Officers agree is reasonable and necessary for inclusion in the Pool's annual outturn report.

- To provide accurate and timely information on the end of year financial performance of the business rates collection fund to enable the Lead Authority to calculate the end of year accounting entries needed.

### 8. KEY PRINCIPLES OF THE POOL

8.1 The collection of business rates will continue to be the responsibility of each billing authority.

8.2 The tier splits for the Pilot Pool will be as follows:

Districts	56%
County Council	17.5%
Unitaries	73.5%
Fire	1.5%

8.3 Each Pool member will retain 70% of their additional growth in order to promote local economic growth and to build resilience to improve their financial sustainability.

8.4 At the end of the financial year, each Pool member also undertakes to pay to the Lead Authority a proportion of their additional growth as follows:

- 5% to be set aside in a risk resilience reserve to mitigate against losses in business rate income.
- A further 25% to be set aside in a Lancashire wide fund to be used to target strategic economic growth and improve financial sustainability

8.5 If a Pool member experiences a loss which is over and above the amount that they would have lost if they had not joined this Pilot Pool, then this loss will be claimable against the resilience reserve.

#### Risk Resilience Reserve

8.6 Claims against the resilience reserve will be aggregated by the Lead Authority and settled pro-rata to the amount available.

8.7 Any balance on the reserve will be returned to the contributing Pool members pro-rata to their contributions.

8.8 If there are no claims against the risk resilience reserve the contributions will be returned to the contributing Pool members.

#### Strategic Economic Growth and Financial Sustainability Fund

8.9 At the end of the financial year the Lead Authority will inform both the Governing Body and the Executive Body of the funds available in the Strategic Economic Growth and Financial Sustainability fund.



8.10 The Executive body will invite and collate bids against this fund from Pool Members for submission to the Governing Body.

8.11 Following this the Governing Body will make decisions on the allocation of the funds available.

9. STATUS OF THIS MOU

9.1 The Pool Members agree that this shall be a binding contractual relationship and mutual commitment between them created by this MoU and shall from the date hereof be construed accordingly.

10. SIGNATORIES ON BEHALF OF THE POOL MEMBERS

*Signed by S151 Officer for and on behalf of*

**Blackburn with Darwen Council**

*Signature*

*Name*

*Position*

*Date*

*Signed by S151 Officer for and on behalf of*

**Blackpool Council**

*Signature*

*Name*

*Position*

*Date*

*Signed by S151 Officer for and on behalf of*

**Burnley Borough Council**

*Signature*

*Name*

*Position*

*Date*

Lancashire Business Rates Pilot Pool  
Memorandum of Understanding

Appendix 1

*Signed by S151 Officer for and on behalf of*

**Chorley Borough Council**

*Signature*

*Name*

*Position*

*Date*

*Signed by S151 Officer for and on behalf of*

**Fylde Borough Council**

*Signature*

*Name*

*Position*

*Date*

*Signed by S151 Officer for and on behalf of*

**Hyndburn Borough Council**

*Signature*

*Name*

*Position*

*Date*

Lancashire Business Rates Pilot Pool  
Memorandum of Understanding

Appendix 1

*Signed by S151 Officer for and on behalf of*

**Lancashire County Council**

*Signature*

*Name*

*Position*

*Date*

*Signed by S151 Officer for and on behalf of*

**Lancashire Combined Fire Authority**

*Signature*

*Name*

*Position*

*Date*

*Signed by S151 Officer for and on behalf of*

**Pendle Borough Council**

*Signature*

*Name*

*Position*

*Date*

Lancashire Business Rates Pilot Pool  
Memorandum of Understanding

Appendix 1

*Signed by S151 Officer for and on behalf of*

**Preston City Council**

*Signature*

*Name*

*Position*

*Date*

*Signed by S151 Officer for and on behalf of*

**Ribble Valley Borough Council**

*Signature*

*Name*

*Position*

*Date*

*Signed by S151 Officer for and on behalf of*

**Rosendale Borough Council**

*Signature*

*Name*

*Position*

*Date*

Lancashire Business Rates Pilot Pool  
Memorandum of Understanding

Appendix 1

*Signed by S151 Officer for and on behalf of*

**South Ribble Borough Council**

*Signature*

*Name*

*Position*

*Date*

*Signed by S151 Officer for and on behalf of*

**West Lancashire Borough Council**

*Signature*

*Name*

*Position*

*Date*

*Signed by S151 Officer for and on behalf of*

**Wyre Borough Council**

*Signature*

*Name*

*Position*

*Date*

By virtue of paragraph(s) 1, 3, 4 of Part 1 of Schedule 12A of the Local Government Act 1972.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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