LANCASHIRE COMBINED FIRE AUTHORITY

Monday, 24 February 2020 at 10.00 am in Washington Hall, Service Training Centre, Euxton

MINUTES

PRESENT:

F De Molfetta (Chairman)

Councillors

L Beavers
S Blackburn
P Britcliffe
I Brown
S Clarke
J Eaton
N Hennessy
S Holgate
D Howarth
F Jackson
A Kay
H Khan
M Khan OBE
Z Khan
T Martin
D O'Toole
M Parkinson OBE (Vice-Chair)
A Riggott
J Shedwick
D Smith
D Stansfield
G Wilkins
T Williams

55/19 CHAIRMAN'S WELCOME AND INTRODUCTION

On behalf of the Authority, the Chairman, CC Frank De Molfetta expressed gratitude to all staff for their hard work during the recent storms Ciara and Dennis.

56/19 APOLOGIES FOR ABSENCE

An apology was received from County Councillor Liz Oades.

57/19 DISCLOSURE OF PECUNIARY AND NON-PECUNIARY INTERESTS

None received.

58/19 MINUTES OF PREVIOUS MEETING

RESOLVED: - That the Minutes of the CFA held on 16 December 2019 be confirmed and signed by the Chairman.

59/19 MINUTES OF MEETING TUESDAY, 28 JANUARY 2020 OF AUDIT COMMITTEE

RESOLVED: - That the proceedings of the Audit Committee held on 28 January 2020 be noted and endorsed.

60/19 MINUTES OF MEETING MONDAY, 10 FEBRUARY 2020 OF PLANNING COMMITTEE

RESOLVED: - That the proceedings of the Planning Committee held on 10 February 2020 be noted and endorsed.

61/19 PAY POLICY STATEMENT 2020/21

In accordance with the provisions of the Localism Act 2011 a pay policy statement for 2020/21 was considered by Members.

The pay policy published data on senior salaries and the structure of the workforce and it demonstrated the principles of transparency.

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

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

The statement included: -

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

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

RESOLVED: - That the Pay Policy Statement be approved.

62/19 TREASURY MANAGEMENT POLICY AND STRATEGY 2020/21

The Director of Corporate Services presented the report that set out the Treasury Management Policy and Strategy for 2020/21.

Statutory Requirements
The Local Government Act 2003 (the Act) and supporting Regulations required the Authority to “have regard to” the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Authority’s capital investment plans were affordable, prudent and sustainable.

This report fulfilled the Authority’s legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the Ministry of Housing, Communities and Local Government (MHCLG) Guidance.

Treasury Management Strategy For 2020/21
The Strategy Statement had been prepared in accordance with the CIPFA Treasury Management Code of Practice. Accordingly, the Lancashire Combined Fire Authority's Treasury Management Strategy would be approved by the full Authority, and there would also be a mid-year and a year-end outturn report presented to the Resources Committee. In addition, there would be monitoring and review reports to Members in the event of any changes to Treasury Management policies or practices. The aim of these reporting arrangements was to ensure that those with ultimate responsibility for the treasury management function appreciated fully the implications of treasury management policies and activities, and that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting.

The Authority had adopted reporting arrangements in accordance with the requirements of the Code as set out in the report.

The Treasury Management Strategy covered the following aspects of the Treasury Management function: -

- Prudential Indicators which will provide a controlling framework for the capital expenditure and treasury management activities of the Authority;
- Current Long-term debt and investments;
- Prospects for interest rates;
- The Borrowing Strategy;
- The Investment Strategy;
- Policy on borrowing in advance of need.

Setting the Treasury Management Strategy for 2020/21
In setting the treasury management strategy the: economic forecasts, interest rate forecasts, the current structure of the investment and debt portfolio and the future capital programme and underlying cash forecasts were considered.

Economic Context
The UK economy had been affected by concerns over the world economy, in particular the trade war between the USA and China, and the uncertainty arising from the UK's exit from the European Union. The Bank of England set its monetary policy to achieve the government’s target of keeping inflation at 2%. The latest inflation rate

was measured by the Consumer Prices Index as 1.5%. In the short term, the Bank of England had to balance the target of low inflation with supporting economic growth and jobs. As a result, the base rate had remained at 0.75% throughout 2019 with the last movement being a 0.25% increase in August 2018.

The Bank of England monetary policy committee met on 19 December 2019 with the committee's latest projections for activity and inflation being set out in the November Monetary Policy Report and assumed an orderly transition to a free trade agreement between the United Kingdom and the European Union. UK Gross Domestic Product growth was projected to pick up, supported by the reduction of Brexit-related uncertainties, an easing of fiscal policy and a modest recovery in global growth. With demand growth outstripping the subdued pace of supply growth, excess demand and domestic inflationary pressures were expected to build gradually. Consumer Prices Index inflation was projected to rise slightly above the 2% target towards the end of the forecast period.

<u>Interest Rate Forecast and Prospects for Market Liquidity</u>
Interest rate forecasts were made in the context of the overall economic position as outlined. The Bank of England last changed rates in August 2018.

The latest forecast of long-term interest rates as provided by Treasury Consultants Arlingclose Ltd was shown in the report.

<u>Current Treasury Portfolio Position</u>
At the 31 December 2019 the debt and investments balances were: -

Debt	Principal £m	%
Fixed rate loans from the Public Works Loan Board	2.000	100%
Variable rate loans		-
	2.000	100%
Investments		
Variable rate investments with Lancashire County Council	29.575	85.5
Fixed rate investments	10.000	14.5
	39.575	100%

The level of investments represented the Authority's cumulative surplus on the General Fund, the balances on other cash-backed earmarked reserves and a cash-flow balance generated by a surplus of creditors over debtors and by grant receipts in advance of payments. There was a net investment figure of £37.575m.

<u>Borrowing and Investment Requirement</u>
In the medium term LCFA borrowed for capital purposes only. The underlying need to borrow for capital purposes was measured by the Capital Financing Requirement (CFR), while usable reserves and working capital were the underlying resources available for investment. The table in the report compared the estimated CFR to the debt which currently existed.

The CFR forecast included the impact of the latest forecast of the funding of the

Capital Programme which currently assumed that there would be no borrowing until 2022/23. It also included a voluntary MRP in 2019/20 to take the future loans element of the MRP to nil.

CIPFA's Prudential Code for Capital Finance in Local Authorities recommended that the Authority's total debt should be lower than its highest forecast CFR over the next three years. However, the table in the report showed that the level of loans was above the CFR, which was 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. The table also indicated that rather than having a need for borrowing it was estimated that the Authority had an underlying need to invest although the available balances were forecast to reduce.

Although the Authority did not have plans for new borrowing it currently held £2.0m of loans as part of its strategy for funding previous years' capital programmes.

Borrowing Strategy

The draft Capital Programme implied there may be a requirement to use borrowing to fund the capital programme in the later years. At this stage it was unlikely that borrowing would be required in 2020/21. However, it was still best practice to approve a borrowing strategy and a policy on borrowing in advance of need. In considering a borrowing strategy the Authority needed to make provision to borrow short term to cover unexpected cash flow shortages or to cover any change in the financing of its Capital Programme.

In the past the Authority had raised all of its long-term borrowing from the Public Works Loan Board, but if long term borrowing was required other sources of finance, such as local authority loans, and bank loans, would be investigated that may be available at more favourable rates. This was especially the case as in October 2019 the PWLB announced that its loan rates would be increased to be 1.8% above the rate of Gilts rather than 0.8% as it was, at the time.

Short term borrowing if required would most likely be taken from other local authorities.

Therefore, the approved sources of long-term and short-term borrowing were: Public Works Loan Board, UK local authorities, any institution approved for investments, any other bank or building society authorised by the Prudential Regulation Authority to operate in the UK and UK public and private sector pension funds.

Policy on Borrowing in Advance of Need

In line with the existing policy the Authority would not borrow more than or in advance of need purely in order to profit from the investment of the extra sums borrowed. However advance borrowing may be taken if it was considered that current rates were more favourable than future rates and that this advantage outweighed the cost of carrying advance borrowing. Any decision to borrow in advance would be considered carefully to ensure value for money could be demonstrated and that the Authority could ensure the security of such funds and relationships.

In determining whether borrowing would be undertaken in advance of need the Authority would: Ensure that there was a clear link between the capital programme and the maturity profile of the existing debt portfolio which supported the need to take funding in advance of need; Ensure the on-going revenue liabilities created, and the implications for the future plans and budgets had been considered; Evaluate the economic and market factors that might influence the manner and timing of any decision to borrow; Consider the merits and demerits of alternative forms of funding and; Consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.

Debt Restructuring

The Authority's debt had arisen as a result of prior years' capital investment decisions. It had not taken any new borrowing out since 2007 as it had been utilising cash balances to pay off debt as it matured, or when deemed appropriate with the Authority making early payment of debt. The anticipated holding of debt at 31 March 2020 was £2.0m. All the debt was from the Public Works Loans Board (PWLB) at fixed rates of interest and repayable on maturity. This debt was taken out in 2007 when the base rate was 5.75% and when the Authority was earning 5.84% return on its investments. Given the high interest rates payable on these loans, relative to current interest rates, we had again reviewed opportunities for debt repayment/restructuring.

The level of penalty applicable on early repayment of loans now stood at £1.131m.

Outstanding interest payable between now and maturity was £1.497m. Giving a gross saving of £0.366m.

However, any early repayment meant that cash balances available for investment would be reduced and hence interest receivable would also be reduced. The extent of which was dependent upon future interest rates. It was estimated that if interest rate on investments was at 1.1% over the remaining period of the loan then repaying the loans now would be broadly neutral. If they were higher, then lost investment interest would exceed the interest saving on repayment and if they were lower then lost investment returns would be lower than the saving on repayment.

It was also noted that the draft capital budget potentially required additional borrowing in 2023/24 and 2024/25. Given the penalties it was considered beneficial to retain these loans.

In relation to debt restructuring County Councillor O'Toole commented that, as guardians of public money he did not think the Authority should borrow without good need to borrow.

Investment Strategy

At 31st December 2019 the Authority held £39.575m invested funds, representing income received in advance of expenditure plus existing balances and reserves. In the past 12 months, the Authority's investment balance had ranged between £27.7m and £48.0m. The variation arose principally due to the timing of the receipt of government grants. It was anticipated that similar levels would be maintained in the forthcoming year.

Both the CIPFA Code and the MHCLG Guidance required 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 was to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk receiving unsuitably low investment income.

Therefore, in line with the guidance the Treasury Management Strategy was developed to ensure the Fire Authority would only use very high-quality counterparties for investments.

The Authority may invest its surplus funds with any of the counterparties as set out in the report.

Whilst the investment strategy had been amended to allow greater flexibility with investments any decision as to whether to utilise this facility would be made based on an assessment of risk and reward undertaken jointly between the Director of Corporate Services and LCC Treasury Management Team, and consideration of this formed part of the on-going meetings that took place throughout the year.

Currently all of the Authority's investments were with other local authorities.

The Authority currently had access to a call (instant access) account with a local authority, which paid bank base rate, this was currently 0.75%. Each working day the balance on the Authority's current account was invested to ensure that the interest received on surplus balances was maximised.

In addition, longer term loans had been placed with UK local authorities to enhance the interest earned. To this end at the following investments were already impacting 2020/21.

Start Date	End Date	Principal	Rate	Interest 2020/21
18/10/18	19/10/20	£5,000,000	1.15	£31,664
10/12/19	10/06/21	£5,000,000	1.20	£60,000
20/04/20	20/04/22	£5,000,000	1.45	£68,726

Consideration was given fixing further investments if the maturity fit with estimated cash flows and the rate was considered to be attractive. This would continue to be reviewed. Current rates payable by other local authorities indicated by brokers were:

3-month investment	0.85%
6-month investment	0.90%
12-month investment	1.00%

The overall combined amount of interest earned on Fixed/Call balances as at 31st December 2019 was £0.257m on an average balance of £37.5m at an annualised rate of 0.91%. This compared favourably with the benchmark 7-day LIBID rate which averages 0.57% over the same period, and was 0.16% above the current bank rate.

<u>Specified and Non-specified investments</u>
The legislative and regulatory background to treasury management activities required

the Authority to set out its use of “specified” and “non-specified” investments.

Specified Investments: The CLG Guidance defined specified investments as those: -

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and invested with one of:
- the UK Government,
- a UK local authority, parish council or community council, or
- a body or investment scheme of “high credit quality”.

The Authority defined “high credit quality” organisations as those having a credit rating of A+ or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher.

Non-Specified Investments: were any investment not meeting the definition of a specified investment was classed as non-specified. The Authority did not intend to make any investments denominated in foreign currencies, nor any that were defined as capital expenditure by legislation, such as company shares. Non-specified investments would therefore be limited to long-term investments, i.e. those that were due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality.

The Authority may lend or invest money using any of the following instruments: -

- interest-bearing bank accounts,
- fixed term deposits and loans,
- callable deposits where the Authority may demand repayment at any time (with or without notice),
- certificates of deposit,
- bonds, notes, bills, commercial paper and other marketable instruments, and

Investments may be made at either a fixed rate of interest, or at a variable rate linked to a market interest rate, such as LIBOR, subject to the limits on interest rate exposures below.

The Authority prepared daily cash flow forecasts to determine the maximum period for which funds may prudently be committed. The forecast was compiled on a pessimistic basis, with receipts under-estimated and payments over-estimated to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments were set by reference to the Authority’s medium-term financial plan and cash flow forecast.

Minimum Revenue Provision (MRP)

Under Local Authority Accounting arrangements, the Authority was required to set aside a sum of money each year to reduce the overall level of debt. This sum was known as the minimum revenue provision (MRP).

The Authority would assess their MRP for 2020/21 in accordance with guidance issued by the Secretary of State under section 21(1A) of the Local Government Act

2003.

The Authority had made a voluntary MRP in 2019/20 and it was anticipated that the MRP on loans will be nil in 2020/21 this will be the case until capital expenditure was financed by borrowing.

Whilst the Authority had no unsupported borrowing, nor had any plans to take out any unsupported borrowing in 2020/21 it was prudent to approve a policy relating to the MRP that would apply if circumstances changed. As such in accordance with the Local Government Act 2003, the MRP on any future unsupported borrowing would be calculated using the Asset Life Method. This would be based on a straightforward straight–line calculation to set an equal charge to revenue over the estimated life of the asset. Estimated life periods would be determined under delegated powers. To the extent that expenditure was not on the creation of an asset and is of a type that was subject to estimated life periods that were referred to in the guidance, these periods would generally be adopted by the Authority. However, the Authority reserved the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

As some types of capital expenditure incurred by the Authority were not capable of being related to an individual asset, asset lives would be assessed on a basis which most reasonably reflected the anticipated period of benefit that arose from the expenditure. Also, whatever type of expenditure was involved, it would be grouped together in a manner which reflected the nature of the main component of expenditure and would only be divided up in cases where there were two or more major components with substantially different useful economic lives.

Assets held under a PFI contract and finance leases formed part of the Balance Sheet. This had increased the overall capital financing requirement and on a 4% basis the potential charge to revenue. To prevent the increase the guidance permitted a prudent MRP to equate to the amount charged to revenue under the contract to repay the liability. In terms of the PFI schemes this charge formed part of the payment due to the PFI contractor.

Revenue Budget
The capital financing budget currently showed that income received exceeded expenditure. This excluded the PFI and Finance lease payments, which were included in other budgets. Based on the Strategy outlined then the proposed budgets for capital financing were:

	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m
Interest payable	0.090	0.090	0.090	0.090
MRP	0.010	0.010	0.010	0.010
Interest receivable	(0.322)	(0.297)	(0.322)	(0.347)
Net budget	(0.222)	(0.197)	(0.222)	(0.247)

Prudential Indicators for 2019/20(revised) to 2022/23 in respect of the Combined Fire Authority's Treasury Management Activities.
In accordance with its statutory duty and with the requirements of the Prudential Code for Capital Finance and the CIPFA Code for Treasury Management, the Combined Fire Authority produced each year a set of prudential indicators which regulated and controlled its treasury management activities.

The table in the report set out the debt and investment-related indicators which provided the framework for the Authority's proposed borrowing and lending activities over the coming three years. These indicators would also be approved by Members as part of the Capital Programme approval process along with other capital expenditure-related indicators, but needed to be reaffirmed and approved as part of this Treasury Management Strategy.

It was noted that contained within the external debt limits, there were allowances for outstanding liabilities in respect of the PFI schemes and leases. However, from 1 April 2020 accounting standards were changing in relation to recording leases. In effect, more leases were likely to be included on the balance sheet and therefore would be included against the other long term liabilities indicators. At this stage work was on-going to quantify the impact of the change and therefore the other long-term liabilities limits may be subject to change.

RESOLVED: - That the Authority:
i) Approved the revised Treasury Management Strategy, including the Prudential Indicators as set out in the report now presented;
ii) Agreed the Minimum Revenue Provision (MRP) calculation as set out in the report as now presented; and
iii) Agreed the Treasury Management Policy Statement as now presented.

63/19 RESERVES AND BALANCES POLICY

The Director of Corporate Services presented the report. The Fire Authority held reserves to meet potential future expenditure requirements. The reserves policy was based on guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). It explained the difference between general reserves (those held to meet unforeseen circumstances), earmarked reserves (those held for a specific purpose) and provisions (where a liability existed but the extent and/or timing of this was uncertain). In addition, the policy identified how the Authority determined the appropriate level of reserves and what these were. The policy confirmed that the level of, and the appropriateness of reserves would be reported on as part of the annual budget setting process and as part of the year end accounting process.

General Reserves

Review of Level of Reserves
In determining the appropriate level of general reserves required by the Authority, the Treasurer was required to form a professional judgment on this, taking account of the strategic, operational and financial risk facing the Authority. This was completed based on guidance issued by CIPFA, and included an assessment of the financial assumptions underpinning the budget, the adequacy of insurance arrangements and

consideration of the Authority's financial management arrangements. In addition, the assessment should focus on both medium and long-term requirements, taking account of the Medium Term Financial Strategy (as set out in the draft budget report discussed later on the agenda). For Lancashire Combined Fire Authority this covered issues such as: uncertainty surrounding future funding settlements and the potential impact of this on the revenue and capital budget; uncertainty surrounding future pay awards and inflation rates; the impact of changes to pension schemes, both in terms of pensionability of allowances and the remedy for the McCloud judgment; demand led pressures, risk of default associated with investments as set out in the Treasury Management Strategy, cost associated with maintaining operational cover in the event of Industrial Action etc.

2019/20 was the final year of a four-year settlement. This meant that funding for 2020/21 was subject to a one-year settlement, with a further four-year Spending Review planned for 2021/22. As per the Local Government Finance Settlement we would receive a 1.6% inflationary increase for 2020/21.

There was greater degree of uncertainty over long term funding than in recent years as the outcome of the fair funding review of relative needs and resources and the Government intention to move to greater retention of Business Rates would take effect. Furthermore, the impact of Brexit on the national economy was still unknown.

As such the Treasurer considered it prudent to maintain the minimum target reserves level at £3.0m, 5.2% of the 2020/21 net revenue budget, reflecting the increasing level of uncertainty. This was broadly in line with the 5% threshold identified by the Home Office above which the Authority was required to justify why it held the level of reserves.

Given the limited scope to increase council tax without holding a local referendum the ability to restore depleted reserves in future years was severely limited. Hence any maximum reserve limit must take account of future anticipated financial pressures and must look at the long-term impact of these on the budget and hence the reserve requirement. Based on professional judgment, the Treasurer felt that this should be maintained at £10.0m.

Should this be exceeded the following financial year's budget would contain options for applying the excess balance in the medium term, i.e. over 3-5 years.

Level of General Reserves

The overall level of the general fund balance, i.e. uncommitted reserves, anticipated at the 31 March 2020 was £8.2m, providing scope to utilise approx. £5.2m of reserves.

The proposed drawdown of £0.4m in 20/21 would reduce the general balance to £7.8m. Discussions were on-going both locally and nationally in respect of Fire-fighter pensions and until such time as these concluded it was not clear whether any backdating costs would be incurred, hence at the present time no allowance had been made for these. Based on this the Treasurer considered these were at an appropriate level to meet expenditure requirements in 2020/21. It was noted that reserves were being used to fund recurring expenditure and hence this could only be a short-term solution, with recurring savings being required to offset the shortfall.

Future requirements were less clear as multi-year settlements would have ended and the budget forecasts become less accurate as there were a whole host of assumptions underpinning these projections, particularly around pension costs, funding, vacancy profiles, future inflation and pay awards and council tax increases.

General reserves were sufficient to balance the budget throughout the next year. However, dependent upon which scenario was considered reserves would not be sufficient to meet the current anticipated funding gap over the next 5 years and hence significant additional savings would be required.

Earmarked Reserves

Level of Earmarked Reserves
The earmarked reserves forecast at 31 March 2020 were £7.2m and a breakdown of these was considered by Members. It was noted that as at 31 March 2019 the Authority held £0.9m to meet the potential penalty costs associated with the repayment of the remaining PWLB loans. Given the reducing likelihood of repaying the loans with such a large penalty, it was proposed that this balance be transferred into the Capital Funding Reserve to meet the costs of the future capital programme as referred to later in the report. It was also noted that of the anticipated balance of £5.4m at 31 March 2025, almost £4m related to the Private Finance Initiative reserve.

Based on this the Treasurer believed these adequate to meet future requirements in the medium term.

Capital Reserves and Receipts

Capital Reserves had been created from under spends on the revenue budget in order to provide additional funding to support the capital programme in future years; as such they could not be used to offset any deficit on the revenue budget, without having a significant impact on the capital programme that the Authority could support.

Capital Receipts were generated from the sale of surplus assets, which had not yet been utilised to fund the capital programme. Under revised regulations receipts generated between April 2016 and March 2020 could be used to meet qualifying revenue costs, i.e. set up and implementation costs of projects/schemes which were forecast to generate on-going savings. The on-going costs of such projects/schemes did not qualify. Whilst the Authority currently held £1.6m of capital receipts only £0.2m of this arose in the relevant time period. Given the small amount eligible we did not currently have any plans to use this in line with new regulations and hence for the purpose of planning all capital receipts would be used to meet future capital costs, not qualifying revenue expenditure.

At 31 March 2020 the Authority anticipated holding £18.7m of capital reserves and receipts. Based on the capital programme presented elsewhere on this agenda it was anticipated fully utilising these by 31 March 2025. Of the total reserve £0.6m was contractually committed.

Based on this the Treasurer believed these were adequate to meet future requirements in the medium term.

Provisions

The Authority had two provisions to meet future estimated liabilities: -

Insurance Provision

This covered potential liabilities associated with outstanding insurance claims. Any claims for which we had been notified and where we were at fault would result in a legal commitment, however as the extent of these could not be accurately assessed at the present time this provision was created to meet any element of cost for which we were liable, i.e. which were not reimbursable from insurers as they fell below individual excess clauses and the annual self-insured limits. This provision fully covered all estimated costs associated with outstanding claims.

The provision stood at £0.5m at 31 March 2019. Given the uncertainty in terms of future insurance claims it had been assumed that the provision would be maintained at this level throughout the 5-year period. There were no existing legal obligations associated with this provision, as the legal obligation only arose when settlement of outstanding claims was agreed.

Business Rates Collection Fund Appeals Provision

This covered the Authority's share of outstanding appeals against business rates collection funds, which was calculated each year end by each billing authority within Lancashire based on their assumptions of outstanding appeal success rates, as part of their year-end accounting for the business rates collection fund.

At 31 March 2019 this provision stood at £0.8m to cover anticipated costs of outstanding business rates appeals. Whilst a significant element of this would be utilised in the current financial year, reflecting the settlement of outstanding appeals, it was impossible to accurately predict the extent of this usage or the need for any additional provision to meet appeals that arose in year, until such time as a full review was undertaken as part of the financial year end process. Therefore, for the purpose of this report it had been assumed that the level of business rates appeals provision remained unchanged. Until the outcome of any appeal was known there was no legal obligation arising from the appeal.

The Treasurer felt that the levels of provisions were sufficient to meet future requirements in the medium term.

Summary Reserve Position

The summary anticipated position in terms of reserves and balances showed the overall level reducing to approx. £13m by 31 March 2025, after allowing for potential backdating of pensionability of allowances.

It was noted that reserves fell dramatically over the programme reflecting the scale of the draft capital programme. Furthermore, this position would be subject to significant change as pension costs, funding, inflation, pay awards and other pressures all become clearer in future years. The annual refresh of this policy would identify the impact of any changes as they developed.

RESOLVED: - That the Authority approved the Reserves and Balances Policy and the level of reserves included within it.

64/19 CAPITAL STRATEGY AND BUDGET 2020/21 - 2024/25

The Director of Corporate Services presented the report. The Authority's capital strategy was designed to ensure that the Authority's capital investment:

- assisted in delivering the corporate objectives;
- provided the framework for capital funding and expenditure decisions, ensuring that capital investment was in line with priorities identified in asset management plans;
- ensured statutory requirements were met, i.e. Health and Safety issues;
- supported the Medium Term Financial Strategy by ensuring all capital investment decisions considered the future impact on revenue budgets;
- demonstrated value for money in ensuring the Authority's assets were enhanced/preserved;
- described the sources of capital funding available for the medium term and how these might be used to achieve a prudent and sustainable capital programme.

Managing capital expenditure

The Capital Programme was prepared annually through the budget setting process, and reported to the Authority for approval each February. The programme set out the capital projects taking place in the financial years 2020/21 to 2024/25, and was updated in May to reflect the effects of any slippage from the current financial year (2019/20).

The majority of projects originated from approved asset management plans, subject to assessments of ongoing requirements. Bids for new capital projects were evaluated and prioritised by Executive Board prior to seeking Authority approval.

A budget manager was responsible for the effective financial control and monitoring of their elements of the capital programme. Quarterly returns were submitted to the Director of Corporate Services on progress to date and estimated final costs. Any variations were dealt with in accordance with the Financial Regulations (Section 4.71). Where expenditure was required or anticipated which had not been included in the capital programme, a revision to the Capital Programme must be approved by Resources Committee before that spending could proceed.

In response to a question from County Councillor Wilkins regarding the management of slippage, the Director of Corporate Services advised that slippage tended to be a timing issue and did not represent anticipated underspends. Project costs were front loaded in the year the project was anticipated to begin to ensure sufficient allocation was made in that year, in case the project proceeded quicker than anticipated.

Proposed Capital Budget

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

The Service had developed asset management plans which assisted in identifying the long-term capital requirements. These plans, together with the operational equipment register had been used to assist in identifying total requirements and the relevant priorities.

A summary of all capital requirements was considered by Members:

	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Vehicles	3.249	1.388	1.020	1.132	1.368	**8.157**
Operational Equipment	0.100	0.215	0.500	0.250	1.000	**2.065**
Buildings	5.575	4.695	6.641	4.250	2.750	**23.911**
IT Equipment	1.895	0.600	0.100	-	0.220	**2.815**
Total	**10.819**	**6.898**	**8.261**	**5.632**	**5.338**	**36.947**

Vehicles

The Fleet Asset Management plan had been used as a basis to identify the vehicle replacement programme as detailed in the report. The plan set out the content of the vehicle replacement schedule and the following was noted:

- Replacement of the ALP in 2021 would keep the number of ALPs at 4 – with the expansion of the Water Tower capability this could potentially be reviewed;
- Two additional Water Towers replaced a Pumping Appliance in 2021 & 2122 (note the Service was still considering options in terms of its long term capability which may lead to a further two Water Towers replacing Pumping Appliances – this would add a further £0.6m into the programme cost);
- The budget for the provided cars was based on the current cost of a hybrid Toyota Rav4, reducing the impact on the environment;
- No allowance had been made for the introduction of vehicles with specific high-rise capability.

LFRS currently had several vehicles provided and maintained by CLG under New Dimensions (5 Prime Movers and 1 Incident Response Units), which under LFRS replacement schedules would be due for replacement during the period of the programme. However, the understanding was that CLG would issue replacement vehicles if they were beyond economic repair, or if the national provision requirement changed. Should LFRS be required to purchase replacement vehicles, grant from CLG might be available to fund them. Based on the current position, we had not included these vehicles (or any potential grant) in the replacement plan.

Operational Equipment

The operational equipment plan as detailed in the report allowed for the replacement of items at the end of their current asset lives, based on current replacement cost. Each of the groups of assets were subject to review prior to replacement, which may result in a change of requirements or the asset life.

Buildings

In terms of all the building proposals it was noted that requirements/designs were still being developed hence costings were to provide some context for decision making.

Of the 20/21 budget, £4.9m had been transferred from the approved 2019/20 programme, comprising £4.2m in relation to the Fleet workshop replacement facility, £0.5m in relation to Morecambe NWAS & Training hub works, with the balance relating to improved station facilities.

It was noted that both Preston Fire Station and the SHQ relocation were subject to ongoing review/business case development, hence costs and timing were estimates only at this stage. Further updates would be presented to Resources Committee in due course.

ICT

The sums identified for the replacement of various ICT systems were in line with the software replacement lifecycle schedule incorporated into the ICT Asset Management Plan. All replacements identified in the programme would be subject to review, with both the requirement for the potential upgrade/replacement and the cost of such being revisited prior to any expenditure being incurred.

Capital Funding

Capital expenditure could be funded from the following sources:

<u>Prudential Borrowing</u>
The Prudential Code gave the Authority increased flexibility over its level of capital investment and much greater freedom to borrow, should this be necessary, to finance planned expenditure. However, any future borrowing would incur a financing charge against the revenue budget for the period of the borrowing.

Given the financial position of the Authority it had not needed to borrow since 2007, and had repaid a large proportion of borrowing in October 2017. There was no allowance for any borrowing in the draft programme, although this did result in a funding shortfall in the last 2 years, which was referred to later in the report.

<u>Capital Grant</u>
Capital grants were received from other bodies, typically the Government, in order to facilitate the purchase/replacement of capital items.

The ESMCP project carried forwards from 2019/20 was anticipated to receive £1.0m grant funding which was included in the programme. To date no other capital grant funding had been made available for 2020/21, nor had any indication been given that capital grant would be available in future years, and hence no allowance had been included in the budget.

Capital Receipts
Capital receipts were generated from the sale of surplus land and buildings, with any monies generated being utilised to fund additional capital expenditure either in-year or carried forward to fund the programme in future years.

The Authority held £1.6m of capital receipts as at 31 March 2019. It was proposed to amend the current accounting policy to have all vehicle sales proceeds classified as capital receipts, rather than revenue income in order to provide more funding for future capital items, therefore notional annual capital receipts of £50k had been included to reflect anticipated disposal proceeds.

At the end of the 5-year programme all the capital receipts would have been utilised, however should the relocation of SHQ go ahead, the income from the sale of the surplus site would be received in 2025/26. This could be in the region of £1.5m dependent on what happens to Fulwood fire station within the site boundary.

Capital Reserves
Capital Reserves had been created from under spends on the revenue budget in order to provide additional funding to support the capital programme in future years. Following completion of the 2019/20 capital programme, the Authority expected to hold £17.0m of capital reserves. Over the life of the programme it was anticipated that all these reserves would be used.

Revenue Contribution to Capital Outlay (RCCO)
Any revenue surpluses may be transferred to a Capital Reserve in order to fund additional capital expenditure either in-year or carried forward to fund the programme in future years.

In order to balance the capital programme over the next 3 years, the revenue contribution had increased to £2.15m in 2020/21 returning to £2.0m in subsequent years.

Drawdown of Earmarked Reserves
No allowance had been made for the drawdown of any earmarked reserves.

Drawdown of General Reserves
No allowance had been made for the drawdown of any of the general reserve.

Total Capital Funding

The following table details available capital funding over the five-year period:

	2020/21	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**TOTAL**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Capital Grant	1.000	-	-	-	-	**1.000**
Capital Receipts	-	1.749	0.050	0.050	0.100	**1.949**
Capital Reserves	7.669	3.149	6.211	0.012	-	**17.041**

Revenue Contributions	2.150	2.000	2.000	2.000	2.000	**10.000**
	10.819	**6.898**	**8.261**	**2.062**	**2.100**	**30.140**

Summary Programme

Based on the draft capital programme as presented there was a shortfall of £6.8m:

	2020/21	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**TOTAL**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Capital Requirements	10.819	6.898	8.261	5.632	5.338	36.947
Capital Funding	10.819	6.898	8.261	2.062	2.100	30.140
Surplus / (Shortfall)	**-**	**-**	**-**	**(3.570)**	**(3.238)**	**(6.807)**

This could be funded from additional borrowing, but would have an impact on the revenue budget, for interest payable and Minimum Revenue Provision (MRP). For example, the above requirement to shortfall would actually result in borrowing £4.8m cash, as we had already set aside funds (prepaid MRP) to offset our existing £2.0m of PWLB. Borrowing over 25 years would cost approx. £0.5m per year in the revenue budget, or the same sum repaid over 50 years would cost approx. £0.3m per year in the revenue budget.

It was highlighted that the programme was based around a number of assumptions which could change:-

- Replacement of the ALP in 2021 would keep the number of ALPs at 4 – with the expansion of the Water Tower capability this could potentially be reviewed;
- Two additional Water Towers replace a Pumping Appliance in 2021 & 2122 (note the Service was still considering options in terms of its long-term capability which may lead to a further two Water Towers replacing Pumping Appliances – this would add a further £0.6m into the programme cost);
- No allowance had been made for the introduction of vehicles with specific high-rise capability;
- New Dimensions vehicle replacements were expected to be carried out by CLG, however this position may change;
- All operational equipment item replacements were at estimated costs, and would be subject to proper costings nearer the time;
- The costs and timing for both Preston Fire Station and the SHQ relocation were estimates only at this stage, based on current information, but clearly if/when either of them goes ahead would create a need for external borrowing;
- Property project timings were front-loaded and as such were expected to vary between years;
- Operational Communications replacements (ESMCP) were subject to a great deal of uncertainty in terms of both timing and costs as they were related to a

national replacement project, in addition there may be grant funding available for this which was also unknown at this time;
- ICT software replacements were based largely on the ICT asset management plan, and were subject to review prior to replacement, which had led in the past to significant slippage;
- Capital grant may be made available in future years, in order to assist service transformation and greater collaboration;
- Capital receipts of up to £1.5m may be available following the end of the 5-year programme if the relocation of SHQ went ahead.

Impact on the Revenue budget

It was noted that the capital programme and its funding directly impacted on the revenue budget in terms of capital financing charges and in terms of the revenue contribution to capital outlay. Based on the provisional 1-year settlement the position in respect of the revenue budget appeared sustainable. Dependent upon future funding position the revenue contribution to capital (RCCO) could come under increasing pressure, which may mean that the Authority needed to borrow to meet future capital requirements which would impact the revenue budget as capital financing (interest payable and Minimum Revenue Provision) charges, the scale of which would depend upon the type of asset the borrowing is charged against, as it was linked to the life of assets.

It was also noted that the capital programme showed the Authority utilising all of its capital reserves and receipts before the end of the 5-year period, meaning that the remainder of the capital programme would need to be met from either capital grant (if available), additional revenue contributions or from new borrowing. Potentially this would also leave a problem in future years beyond this programme where the on-going revenue contribution of £2.0m was insufficient to meet the current vehicle replacement programme and operational equipment capital replacements. For example, from 2025/26 onwards the estimated average annual capital spend (based on current vehicles in service and assumed spends for operational equipment, property and ICT systems) was £2.8m per year, an average shortfall of £0.8m.

Summary

Over the next three years the programme was balanced, and as such could be considered prudent, sustainable and affordable. Should all the items in the five-year programme go ahead, potentially significant external borrowing would be required in the latter years of the programme.

However, should any of the funding assumptions or expenditure items within the programme change, this would have an impact on the overall affordability of the programme.

Prudential Indicators

The Prudential Code gave the Authority increased flexibility over its level of capital investment and much greater freedom to borrow, should this be necessary, to finance planned expenditure. However, in determining the level of borrowing, the Authority must prepare and take account of a number of Prudential Indicators aimed at demonstrating that the level and method of financing capital expenditure was affordable, prudent and sustainable. These Indicators were set out at Appendix 1 now presented, along with a brief commentary on each. The Prudential Indicators were based on the programme set out in the report. These indicators would be updated to reflect the final capital outturn position, and reported to the Resources Committee at the June meeting.

The main emphasis of these Indicators was to enable the Authority to assess whether its proposed spending and its financing was affordable, prudent and sustainable and in this context, the Treasurer's assessment was that, based on the Indicators, this was the case for the following reasons: -

- In terms of prudence, the level of capital expenditure, in absolute terms, was considered to be prudent and sustainable at an annual average of £8.7m over the 3-year period. The trend in the capital financing requirement and the level of external debt were both considered to be within prudent and sustainable levels. No new borrowing was currently planned during the three years.
- In terms of affordability, the negative ratio of financing costs arising from borrowing reflected interest receivable exceeding interest payable and Minimum Revenue Provision payments in each of the three years. This reflected the effect of the previous decision to set aside monies to repay debt.

County Councillor O'Toole commented that the last Planning Committee meeting was held in a different meeting room due to flooding at Headquarters. This had proven to him that the building was totally inappropriate for its purpose. He thought that it was appalling that nothing had been brought before the Authority earlier to reconsider the move of Service Headquarters to Service Training Centre and he was concerned that since previously considered the associated costs would have increased. He would like to see immediate progress on relocation including the current valuation of the site at Fulwood; with relocation of the fire station if necessary.

The Director of Corporate Services advised that the capital identified in the report was for building construction and that the business case was currently being progressed.

Following Member discussion there was general agreement for the project to be considered as soon as possible, ideally at the next Strategy Group meeting.

RESOLVED: - That the Combined Fire Authority approved the: -

1. Capital Strategy;
2. Capital Budget; and
3. Prudential Indicators as now presented.

65/19 REVENUE BUDGET 2020/21 - 2024/25

The Director of Corporate Services presented the report which set out the draft revenue budget for 2020/21-2024/25 and the resultant council tax implications.

The report detailed changes to budget requirements, taking account of known/anticipated changes, incorporating current year-end forecast projections, and forecast vacancy factors based on anticipated recruitment. The most significant unknowns were: -

- Future pay awards; assumed at 2% each year;
- The additional cost associated with making various allowances pensionable, an extra £600k had been allowed for this;
- It was unclear what impact the McCloud judgment would have on the budget, (such as increased employer contributions, transfer of personnel between schemes, retirement profiles and hence vacancy factors, whether a new pension scheme will be introduced and if so what contribution rates will be set). None of these changes had been factored into the budget;
- Section 31 Grant in respect of the additional pension costs had been confirmed for 20/21 and would be incorporated into the subsequent Spending Review, and it had therefore been assumed that this continued throughout the Medium Term Financial Strategy.

The Local Government Finance Settlement resulted in a funding increase of 1.6% for 2020/21 and a council tax referendum limit of 2%.

The report set out the implications of increasing council tax by 2%, 1% or of freezing this. Allowing for a 2% increase in council tax and a gross budget of £57.8m the report identified a funding shortfall of £0.4m. It was therefore proposed either identifying additional in-year savings, or drawing down reserves, to deliver a balanced budget. This gave a net budget of £57.3m, resulting in a council tax of £70.86 per Band D property, an increase of 1.99% (£1.38 per annum, less than 3p per week).

Until such time as the outcome of next year's Spending Review was published it was impossible to provide any meaningful funding forecast, however for the purpose of medium-term financial planning it was assumed that funding was increased by 1.5%, and the 2% council tax referendum principle continued to apply. Based on this the Authority was still faced with a funding gap of up to £0.6m in subsequent years.

Looking at the medium-term plans it was clear that the key variables remained pay awards, pension costs and funding. As such additional scenarios were presented showing the potential impact of these ranging from a £1.4m to a £3.8m loss of funding or a £2.4m increase in costs.

Currently the Authority remained in a good financial position with reserves able to offset the financial challenges next year. The position became more challenging thereafter however by that time the Authority should have greater certainty on future funding, pay awards and future referendum limits, which would enable it to deliver more reliable medium term financial plans in order to address any gap that exists.

Members considered the report in detail.

County Councillor O'Toole asked that the good relationship with the local Fire Brigade Union be acknowledged.

The proposal based on a council tax increase of 1.99%, £1.38, resulting in a council tax of £70.86 for a Band D property was MOVED by County Councillor Frank De Molfetta and SECONDED by County Councillor Miles Parkinson.

The Clerk held a recorded vote and the names of Members who voted for or against the Motion and those who abstained are set out below:

For (24)
L Beavers, S Blackburn, P Britcliffe, I Brown, S Clarke, F De Molfetta, J Eaton, N Hennessy, S Holgate, D Howarth, F Jackson, A Kay, H Khan, M Khan, Z Khan, T Martin, D O'Toole, M Parkinson, A Riggott, J Shedwick, D Smith, D Stansfield, G Wilkins and T Williams.

Against (0)

No Members voted against the motion.

Abstained (0)

No Members abstained.

The motion was therefore unanimously CARRIED and it was:

RESOLVED: - That the Authority: -

1. noted the Treasurer's advice on the robustness of the budget
2. noted the Treasurer's advice on the appropriate level of reserves/balances
3. agreed the revised budget requirement of £57.339m for 2020/21
4. noted the section 31 grant of £1.246m due in respect of the business rate reliefs
5. noted the level of Business Rates Retention Top Up Funding £11.295m
6. noted the level of Local Business Rates Retention Funding £4.340m
7. noted the business rate tax collection fund surplus of £0.122m
8. noted the council tax collection fund surplus of £0.363m
9. agreed the council tax requirement, calculated in accordance with Section 42A(4) of the Localism Act of £31.450m
10. noted the council tax base of 443,827 determined for the purposes of Section 42B of the Local Government Finance Act 1992
11. agreed a council tax band D equivalent of £70.86, an increase of £1.38 (1.99%), calculated by the Authority under Section 42B of the Local Government Finance Act 1992 agreed, on the basis of the fixed ratios between valuation bands set by the Government, council tax for each band as follows:

Band A	£47.24
Band B	£55.11
Band C	£62.99
Band D	£70.86
Band E	£86.61

Band F	£102.35
Band G	£118.10
Band H	£141.72

12. agreed, based on each district and unitary councils share of the total band D equivalent tax base of 443,827, the share of the total LCFA precept of £31.450m levied on each council as follows:

Blackburn With Darwen Borough Council	£2,521,025
Blackpool Borough Council	£2,632,946
Burnley Borough Council	£1,656,991
Chorley Borough Council	£2,652,894
Fylde Borough Council	£2,171,080
Hyndburn Borough Council	£1,484,376
Lancaster City Council	£2,954,862
Pendle Borough Council	£1,718,894
Preston City Council	£2,771,619
Ribble Valley Borough Council	£1,673,926
Rossendale Borough Council	£1,462,197
South Ribble Borough Council	£2,556,183
West Lancashire District Council	£2,549,467
Wyre Borough Council	£2,643,111
TOTAL	£31,449,571

66/19 HMICFRS STATE OF FIRE & RESCUE ASSESSMENT REPORT

During January this year, HMICFRS released the 'State of Fire Report' which was the annual assessment of the effectiveness and efficiency of fire and rescue services in England, based on the 45 inspections carried out between June 2018 and August 2019. The report provided a summary of the performance of the 45 fire and rescue services against the 3 inspection pillars of effectiveness, efficiency and people and provides a comparator for the high levels of performance delivered by Lancashire when considered against peers nationally. The report highlighted that the sector had many strengths but that ongoing improvement was required. Whilst it was acknowledged that many of the negative statements within the report existed nationally, it was pleasing that these were not representative of the picture that was reflected within Lancashire Fire and Rescue Service's (LFRS) first tranche report.

State of Fire provided strategic recommendations on reforms needed, to ensure that modern fire and rescue services could be provided which were fit for the future. The report recommended:

1. By June 2020, the Home Office, in consultation with the fire and rescue sector, should review and with precision determine the roles of: (a) fire and rescue services; and (b) those who work in them.
2. By June 2020, the Home Office, the Local Government Association, the National

Fire Chiefs Council and trade unions should consider whether the current pay negotiation machinery requires fundamental reform. If so, this should include the need for an independent pay review body and the future of the 'grey book'.

3. By September 2020, the Home Office should consider the case for legislating to give chief fire officers operational independence. In the meantime, it should issue clear guidance, possibly through an amendment to the Fire and Rescue National Framework for England, on the demarcation between those responsible for governance and operational decision making by the chief fire officer.
4. By December 2020, the National Fire Chiefs Council, with the Local Government Association, should produce a code of ethics for fire and rescue services. The code should be adopted by every service in England and considered as part of each employee's progression and annual performance appraisal.

Second inspection confirmed

The dates for the second inspection of LFRS have been confirmed as week commencing 11th May 2020. For the second inspection the former Service Liaison Lead (SLL), Dave Dryburgh, hands over to his replacement, Jo Hayden (Seconded Programme and Planning Manager for Nottinghamshire FRS). It was anticipated that the Service would meet with the new SLL following their formal HMICFRS training in February.

Meantime work was ongoing within Service to meet key dates within the timeline: –

- Data Return – completed in the last week of January 2020.
- Preparation of LFRS Self-Assessment against the inspection framework, prior to Discovery Week.
- Document return – (awaiting the request but previously this constituted 53 service level documents).
- Discovery week – initial visit by a few members of the inspection team, confirmed as week commencing 20th April.
- Inspection week – full inspection team into Service, week commencing 11th May.

During the previous inspection, the Chief Fire Officer's strategic brief was delivered prior to inspection week. This time, it would be delivered to the inspection team on the first morning of inspection week.

It was noted that there was a spring bi-annual data return expected in May which may coincide with the inspection dates.

Learning from other FRS and sharing our best practice

Whilst LFRS had areas of strength, it recognised that further improvements could be derived from best practice of our peers. Following the release of the reports from the final tranche of inspections and the more recent State of Fire report, the Service had identified a number of opportunities to be explored with our peers. Accordingly, visits had been made to other FRS, examples being, Merseyside to look at their approach towards Prevention activity, phone conferences with Cambridge and Oxfordshire to look at various areas of strength and a further visit being planned to West Midlands to consider the work undertaken to achieve their 'outstanding' in response.

Conversely LFRS had hosted several FRS over the course of the year to share areas of our best practice, including Lincolnshire, Durham and Darlington and a number of FRS whom attended a recent event to share an overview of our Risk Based Inspection Programme for fire protection.

In response to Member comments regarding the importance of considering an environmental impact reduction strategy the Director of People and development confirmed that the Authority's Carbon Management Plan included a visionary target of 40% by 2020, however the current reduction was 25%. How this could be improved was currently being considered. The Chief Fire Officer added that the HMICFRS inspection was looking at operational efficiency which included consideration for the environment. It was noted that recently the Environmental Agency had compared the Service's response to a like for like recycling fire and LFRS had resolved it ten times quicker; such examples would be presented during the inspection.

County Councillor Shedwick advised that the last Planning Committee received excellent insight into the amount of data and work needed to prepare for the inspection and it was noted that there was a lot of work needed to prepare for the next one. Members requested a briefing on progress at the next Authority meeting.

RESOLVED: - That the report be noted.

67/19 MEMBER CHAMPION ACTIVITY REPORT

The concept of Member Champions was introduced in December 2007. A review of the areas of focus for Member Champions was considered at the Authority meeting held in June 2017 where new areas of responsibility were agreed. The current Member Champions and their areas of responsibility were:

- Community Safety – Cllr Tony Williams
- Equality, Diversity and Inclusion – Cllr Zamir Khan;
- Health and Wellbeing – County Councillor Hasina Khan;
- Road Safety – Cllr Fred Jackson.

Reports relating to the activity of the Member Champions were provided on a regular basis to the Authority. This report related to activity for the period up to 24 February 2020. During this period all had undertaken their respective role in accordance with the defined terms of reference.

Councillor Williams added to his report that at the Blackpool Council meeting held earlier in the month he had put forward a motion which had been unanimously agreed for the Chief Executive to write to the Minister of Housing, Communities and Local Government to consider making it mandatory in building regulations that house builders install Fire Authority approved sprinkler systems on all new residential buildings.

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

68/19 FIRE PROTECTION REPORTS

A report detailing prosecutions in respect of fire safety management failures and arson related incidents within the period 1 November 2019 to 1 February 2020 was provided.

Fire protection and business support information was provided and Members noted that there were 3 arson convictions during the period.

In response to a question raised by Councillor Britcliffe in relation to the inspection process for working men's clubs, the Assistant Chief Fire Officer confirmed that the risk-based inspection process would vary regarding the premises type and focussed on people rather than location. If however there were any concerns regarding a particular building then contact should be made with the local fire station.

Councillor Martin referred to a multi occupied dwelling fire in Blackpool where 2 paramedics entered the burning building to assist getting all the occupants out and asked if they could be recognised for their actions.

In response to a request from Councillor Kay for more detail regarding the Primary Authority Scheme, the Assistant Chief Fire Officer advised that the scheme was provided to businesses on a cost recovery basis and that it enabled a consistent approach to be applied for fire safety provision across large scale developments. He agreed to provide scheme details separately to Councillor Kay after the meeting.

RESOLVED: - That the Authority noted and endorsed the report.

69/19 COMMUNITY FIRE SAFETY REPORTS

This report included information for the 2 Unitary and 12 District Authorities relating to Fire Safety Initiatives and Fires and Incidents of particular interest throughout the period December 2019 – January 2020.

RESOLVED: - That the Authority noted and endorsed the report.

70/19 MEMBER COMPLAINTS

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

RESOLVED: - That the current position be noted.

71/19 DATE OF NEXT MEETING

The next meeting of the Authority would be held on Monday 20 April 2020 at 10:00am at the Training Centre, Euxton.

72/19 CONDOLENCES

The Authority supported the Chief Fire Officer to report condolences following the sad loss of serving Firefighter Alistair Cudworth who served over 26 years in the Service.

M NOLAN
Clerk to CFA

LFRS HQ
Fulwood