

Public Document Pack

LANCASHIRE COMBINED FIRE AUTHORITY RESOURCES COMMITTEE

Wednesday, 23 September 2020 - Virtual Meeting accessible via MS Teams and YouTube (as a live webcast) commencing at 10.00 am.

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

IF ANY MEMBER OF THE PRESS AND PUBLIC WISH TO RAISE A QUESTION FOR THE CHAIRMAN PLEASE DO SO NO LATER THAN 3 WORKING DAYS IN ADVANCE OF THE MEETING BY EMAIL TO: DIANE BROOKS@LANCSFIRERESCUE.ORG.UK.

AGENDA

PART 1 (open to press and public)

Chairman's Announcement – Open and Transparent Virtual Committee Meeting

In response to the Covid-19 Pandemic the Government has made regulations that enable virtual meetings.

This meeting will be accessible for Committee Members via Microsoft Teams and for members of the press and public via a live webcast on YouTube.

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 - 14)
4. YEAR END REVENUE OUTTURN 2019/20 (PAGES 15 - 20)
5. YEAR END CAPITAL OUTTURN 2019/20 (PAGES 21 - 28)
6. YEAR END TREASURY MANAGEMENT OUTTURN 2019/20 (PAGES 29 - 34)
7. YEAR END USABLE RESERVES AND PROVISIONS OUTTURN 2019/20 (PAGES 35 - 42)
8. UNAUDITED STATEMENT OF ACCOUNTS 2019/20 (PAGES 43 - 122)
9. PROPERTY ASSET MANAGEMENT PLAN (PAGES 123 - 198)
10. FINANCIAL MONITORING (PAGES 199 - 206)

11. PENSION BOARD - FIREFIGHTER PENSION SCHEME TRANSITION PROTECTION CONSULTATION (PAGES 207 - 214)
12. CARBON MANAGEMENT PLAN (PAGES 215 - 228)
13. EQUALITY, DIVERSITY AND INCLUSION ANNUAL REPORT (PAGES 229 - 266)
14. ORGANISATIONAL DEVELOPMENT PLAN (PAGES 267 - 284)
15. DATE AND TIME OF NEXT MEETING

The next scheduled meeting of the Committee has been agreed for 10:00 hours on 25 November 2020 in – venue to be agreed.

Further meetings are proposed for: 24 March 2021, 07 July 2021 and 29 September 2021

16. URGENT BUSINESS

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

17. 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

18. ISO 45001:2018 HEALTH AND SAFETY AND ISO 14001 ENVIRONMENTAL MANAGEMENT SYSTEMS ASSESSMENT AUDIT REPORTS (PAGES 285 - 312)
19. HIGH VALUE PROCUREMENT PROJECTS (PAGES 313 - 318)
20. 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, 27 November 2019, at 10.00 am in the Main Conference Room, Service Headquarters, Fulwood.

MINUTES

PRESENT:

Councillors

F De Molfetta (Chairman)
F Jackson
T Martin (Vice-Chair)
D O'Toole
M Parkinson OBE (for H Khan)
D Stansfield
G Wilkins
T Williams

Officers

D Russel, 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)
M Nolan, Clerk and Monitoring Officer to the Authority

In attendance

C Chesters, Head of Procurement (LFRS)
D Howell, Solicitor (LFRS)

63/19 APOLOGIES FOR ABSENCE

Apologies were received from County Councillors Hasina Khan and Lorraine Beavers and Councillor Simon Blackburn.

64/19 DISCLOSURE OF PECUNIARY AND NON-PECUNIARY INTERESTS

None received.

65/19 MINUTES OF THE PREVIOUS MEETING

RESOLVED: - That the Minutes of the last meeting held on 25 September 2019 be confirmed as a correct record and signed by the Chairman.

66/19 TREASURY MANAGEMENT - MID-YEAR REPORT 2019/20

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 received a treasury management mid-year report and a final outturn report. Reports on treasury activity were discussed on a quarterly basis with Lancashire County Council Treasury Management Team and the Authority's Director of Corporate Services and were used as a basis for this report to the Committee.

Economic Overview

The economic situation continued to be dominated by the uncertainty arising from the unknown impact of the UK's withdrawal from the European Union and the trade dispute between the worlds' two largest economies namely the USA and China. Despite this, the first quarter of 2019 showed relatively strong growth of 0.5% (1.8% year on year). However, it was considered that this was partly due to stockpiling ahead of the expected date for leaving the European Union and was followed by a contraction of 0.2% in the second quarter.

Outlook for Interest Rates

Arlinglose, Lancashire County Council's treasury advisers, were forecasting no change in the Bank Rate for the foreseeable future. However, there were risks to this forecast which could see rates moving in either direction.

Treasury Management Position and Policy

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 treasury management activity was 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 was summarised in the report as now considered, this showed that the Authority had a net borrowing requirement of £197k, which was below its actual borrowing of £2.0m, and reflected the additional voluntary MRP contributions that the Authority had made in order to generate cash to repay loans either on maturity or as an early repayment. Members considered the proposed further voluntary MRP contribution of £187k, in addition to the planned £10k which would reduce the borrowing requirement to zero, fully providing for existing loan repayment or to offset future loan drawdowns. (It was noted that the Authority was not anticipating in year capital expenditure being funded from borrowing, but this depended on the agreed 5 year programme currently being developed and some borrowing may be required in future years). In terms of investments it was anticipated that there may be some reduction in the level of reserves held, dependent upon the level of in-year capital expenditure which, given slippage in the programme this looked less likely at the present time.

Borrowing

There had been no new borrowing in the first six months of the financial year. This was consistent with the position that the current borrowing was already above the CFR and that the capital programme did not include any expenditure to be financed from borrowing.

The long term debt outstanding of £2m was from the Public Works Loan Board. Consideration was given to the early repayment of the loans. However, these would be subject to an early repayment (premium) charge. The authority did repay debt in 2017/18 but at the time it was considered that the premium 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 premium charge to repay the three loans being £1.074m.

Investments

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 of receiving low investment returns and having the value of reserves eroded by inflation.

The Authority principally invested in a call account provided by Lancashire County Council which paid the base rate. Each working day the balance on the Authority's Current Account was invested in this to ensure that interest was received on surplus balances within an acceptable risk framework. During the period all new investments were placed with the County Council via this arrangement. At 30th September there was a balance of £33.670m invested in LCC while the average for the period was £21.663m.

In addition, in order to increase the rate earned on current balances, the Authority had placed fixed investments with other local authorities. To attract a higher rate of interest than was available on the call account these investments needed to be fixed for a longer period of time. The report identified the investments that had been in place during the year. At 30 September there was £10m fixed term investment in place therefore the total investment held at 30 September was £43.670m. The overall the rate of interest earned during the period was 0.96% which compared favourably with the benchmark 7 day index which averaged 0.69% over the same period. All investments were 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 were determined against which performance may be measured. At its meeting on 18 February 2019 the Authority approved the indicators for 2019/20 which were detailed in the report alongside the current actual.

Revenue Budget Implications

The 2019/20 revenue budget for treasury management activity showed that anticipated income exceeded expenditure by £0.252m. Taking into account the activity for the first six months of the year and estimated cash-flow for the remainder of the year the latest forecast was considered:

	Budget	Forecast	Variation
	£m	£m	£m
Interest Payable	0.090	0.090	0.000
Minimum Revenue Provision	0.010	0.197	0.187
Interest receivable	(0.352)	(0.331)	0.021
Net budget	(0.252)	(0.044)	0.208

The variation on the MRP reflected the additional contribution proposed whilst interest receivable was slightly below budget as the anticipated increase in the interest rates in the last quarter of the financial year looked unlikely.

Regulatory Updates

A key source for long term borrowing was the PWLB. The PWLB lending was offered at a fixed rate above the gilt yields. For most authorities that qualified for the certainty rate, including the Lancashire Combined Fire Authority, this rate was 0.8%. In recent months gilt yields and therefore loan rates had fallen to record low levels and as a result local authority borrowing from the PWLB had risen. In response to this HM Treasury announced on the 9th October that it was increasing the margin above gilts by 1%. Therefore for an authority which qualified for the certainty rate then the interest rate on any new PWLB loan was 1.8% above the gilt yield rather than 0.8%.

This change did not have an immediate impact for the Authority as it was not seeking new loans. However, should the capital financing position change then consideration would have to be given as to whether there were suitable alternatives to PWLB financing.

RESOLVED: That the report be noted and endorsed and that an additional MRP contribution of £187k was agreed.

67/19 FINANCIAL MONITORING 2019/20

Revenue Budget

The overall position as at the end of September showed an underspend of £0.4m. Trends were being monitored to ensure that they were reflected in future year's budgets, as well as being reported to Resources Committee.

We previously reported that there was a potential shortfall of £273k in Section 31 grant in relation to Business Rates Relief for 2019/20. Although we had still not had confirmation, we believed that we met the criteria as set out by MHCLG in order for them to pay a one off grant of £273k. As such, we did not reduce the budgeted grant income for 2019/20.

In addition, since the last meeting we have received the balance of the Section 31 grant funding in relation to the Winter Hill incident of 2018. We had anticipated claiming this under the Bellwin scheme, which had an element of self-funding (circa £109k), however as it was paid under Section 31 grant we have been reimbursed for the full costs, leaving a surplus of £109k in year.

In terms of the year end forecast we had anticipated an underspend of approx. £0.3m due in the main to the additional grant for Winter Hill, for USAR and the adjustment to the council tax collection figure (as previously reported). As outlined in the Treasury Management Mid-Year Update report we were proposing making an additional voluntary Minimum Revenue Provision (MRP) payment of £187k, in order to reduce the borrowing requirement to zero, fully providing for existing loan repayment or to offset future loan drawdowns. After allowing for this the current year end forecast showed a £0.1m underspend.

It was noted that in line with recent court/ombudsman rulings in respect of the pensionability of allowances a review of all our allowances was being undertaken to determine which were pensionable and which were not. Whilst the review was on-going it was clear that if any allowances were made pensionable then this would impact on the revenue budget, however at this early stage we had not reflected this in the forecast as presented. We would update the forecasts as the position became

clearer, and provide an updated report to members at the appropriate time.

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

Area	Overspend / (Under spend) to 30 Sept	Forecast Outturn at 31 March	Reason
	£'000	£'000	
Service Delivery	(63)	(73)	The variance to date and forecast outturn both reflect:- <ul style="list-style-type: none"> • An additional £58k of grant being allocated to the USAR Team by Government, this announcement only being made after the budget was set • The additional income generated at Preston due to the extension of the lease arrangement with NWS until September 2020, generating an additional £25k in 2019/20.
Winter Hill	(109)	(109)	As previously reported, we anticipated claiming under Bellwin for the Winter Hill incident, however we had now received the funding via Section 31 grant and had been reimbursed £109k, the full cost of the incident.
Property	99	(8)	The overspend position related to premises repairs and maintenance, with lighting and drill yard works being carried out at several fire stations. This was a timing issue and reflected orders raised to date for work which had not yet been undertaken. Hence we were forecasting a broadly balanced year end position
Other Non-DFM	(101)	593	The majority of the underspend to date reflected the additional council tax collection fund surplus of £59k due from one of the billing authorities as previously reported. The majority of the forecast overspend reflected the funding gap identified at the time of setting the budget in February and the

			additional MRP contribution outlined earlier.
Whole-time Pay (less Associate Trainers)	(71)	(227)	<p>There were a number of factors contributing to the underspend on whole-time pay at the end of September. The most significant of which were:</p> <ul style="list-style-type: none"> • The Service currently held six more vacancies than allowed for in the budget due to personnel retiring earlier than forecast and a slight shortfall in the number of recruits who commenced on station in April. This gave rise to an underspend of £64k to date. • In addition, the grade mix of personnel and the high number paid at development rates of pay result in a further underspend of approx. £110k. • Overtime payments over the summer annual leave period had been higher than budgeted, reflecting the overall vacancies as highlighted above and the support provided to on-call stations, generated an overspend of £68k to date. Given the current recruits course was due to complete in January we anticipate the level of overtime reducing in the second half of the year. • In addition a number of personnel had opted out of the pension scheme. The budget was based on the actual number of 'opt outs' at the time of setting the budget. However this had now increased to 35 with the 4 additional 'opt outs' generating a saving of approx. £20k. • Offsetting this, Associate Trainer costs were £55k higher than budgeted, reflecting additional usage of

			<p>associates to cover vacancies at TOR and to meet temporary demand for trainers in excess of current staffing levels.</p> <p>As a result of these the overall whole-time budget was underspent by approx. £71k after 6 months of the year. However to put this into context that represented a variance of less than 0.5% of the budget at the end of September.</p> <p>Some of these variances were a timing issue, as new recruits started, personnel were promoted and as personnel achieved competency and were paid accordingly. This was reflected in the forecast outturn position shown, an anticipated underspend of £227k. However this was dependent upon how many further personnel left before reaching their projected retirement date.</p>
RDS Pay	(1)	(18)	The budget was broadly in line at the end of September. This was reflected in the forecast outturn position, which was based on average activity levels during the second half of the year, and vacancies remaining at a consistent level.
Support staff (less agency staff)	(81)	(155)	<p>The underspend to date and forecast related to vacant posts across various departments, which were in excess of the vacancy factor built into the budget. The majority of these vacancies were currently undergoing recruitment, with an assumed 3 month gap in costs (although recruitment of technical specialists in ICT and Knowledge Management continued to take longer).</p> <p>Note agency staff costs to date of £57k were replacing vacant support staff roles, this accounted for less than 2% of total support staff costs.</p>

Capital Budget

Following on from September Resources Committee we the amended programme stood at £3.6m.

In terms of the programme, the current position, shown in appendix 2 and summarised below, showed committed expenditure to the end of September of £3.0m: -

Area	Committed Expenditure to Sept 2019	Details
	£000	
Pumping Appliances	1,056	The budget allowed for the remaining stage payments for 7 pumping appliances for the 2018/19 programme, for which the order had been placed in January 2018. Phased delivery of these vehicles was anticipated in the last quarter of the financial year.
Other vehicles	776	<p>This budget allowed for the replacement of various operational support vehicles, the most significant of which was the Water Tower, which was delivered during quarter one.</p> <p>In addition to these, the budget allowed for various support vehicles which were reviewed prior to replacement. We currently anticipated completing the purchase of the majority of these within the financial year.</p>
Operational Equipment	4	This budget allowed for completion of the kitting out of three reserve pumping appliances, which were part of the 2018/19 programme, in addition to providing a £50k budget for innovations in fire-fighting to be explored.
Building Modifications	287	<p>This budget allows for:</p> <ul style="list-style-type: none">• Refurbishment of the Fire House, where work was completed in July, and where we had incurred costs of £287k to date.• Based on the latest stock condition survey, several stations had identified upgrades to dormitory and shower facilities. Plans had been finalised and were currently being costed prior to moving to procurement. <p>Anticipated in-year spend would depend upon the final procurement route for the above projects and on Property department capacity to deliver the works.</p>

IT systems	860	<p>The replacement station end project had now commenced with equipment ordered and due for delivery in the current calendar year, with installation following thereafter.</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. The order had been placed and work was underway to install this. We anticipated this project being completed in the current calendar year</p> <p>The budget also allowed for replacement Storage Area Network, the hardware for which had been delivered in quarter one, and would be configured for use in due course.</p> <p>The balance of the budget related to the replacement of various systems, in line with the ICT asset management plan. Reviews carried out had identified two systems which did not need replacing at this time, hence the underspend shown. We were still reviewing the need to replace others, hence further updates on progress would confirm which replacements were being actioned in the current year and anticipated spend profiles.</p>
------------	-----	---

The committed costs to date would be met by revenue contributions and usage of capital reserves.

Delivery against savings targets

The current position on savings targets identified during the budget setting process was reported. It was anticipated that we would meet our efficiency target for the financial year.

The Director of Corporate Services provided an overview for Members of the distinction between funding received via Section 31 grant and funding received via Bellwin.

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

68/19 THE 2020/21 LOCAL GOVERNMENT FINANCE SETTLEMENT - TECHNICAL CONSULTATION PAPER

The report set out details of the Government's latest consultation document relating to 2020/21 Local Government Finance Settlement. The Local Government Finance Settlement was the basis by which the Government allocated out funding to individual authorities, as part of the Local Government Finance Settlement.

The Ministry of Housing, Communities and Local Government issued a consultation document titled "Local Government Finance Settlement 2020/21 – Technical Consultation" on 3 October, with a deadline for a response of 31 October. The

proposed 2020/21 settlement was framed in the context of the overall Spending Review package, and set out more detail on the Government's plans for allocating these resources to local authorities.

As part of the work on the Spending Review the Government had heard the concerns of local authorities about the need for certainty and stability to enable budget planning for the next financial year. Reflecting this, the one-year Spending Round and the plans for a more substantial Spending Review exercise in time for 2021-22, they proposed to implement a 'roll-forward' settlement for 2020-21, which would provide stability for the majority of funding sources for local government.

The Government remains committed to reforming local government finance. In 2020 the Government plans to carry out a multi-year Spending Review, which would lay the groundwork for reforms. They would continue to work towards their aim to implement these reforms in 2021-22, including a full reset of business rates retention baselines.

Whilst the document talked about the increased specific funding allocated to authorities, such as the Better Care Fund and New Homes Bonus, this did not affect Fire and Rescue Authorities. As such the only significant area which we felt warranted comment related to council tax referendum principles.

The document outlined the following council tax referendum principles for 2020/21:-

- a core principle of up to 2% (this was 3% for 2018/19 and 2019/20)
- an adult social care precept for local authorities with responsibility for adult social care of 2% on top of the core principle;
- no referendum principles for Mayoral Combined Authorities or town and parish councils.

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

Question 3: Do you think that there should be a separate council tax referendum principle of 2% or £5, whichever is greater, for shire district councils in 2020-21?

Question 4: Do you have views on the proposed package of council tax referendum principles for 2020-21?

Response Submitted

"Whilst the Spending Review provided a boost across the public sector in general, there was no detail about the impact on Fire Authorities. Without this it is hard to know how much funding will need to be raised via council tax and therefore hard to provide an informed response.

However regardless of the eventual funding we do not believe the 2% threshold will be sufficient and can see no logical reason for reducing this from its current 3%. We have argued for many years that greater flexibility should be provided to all authorities and have suggested that Fire Authorities should be allowed the same flexibilities as District Councils have previously been allowed, i.e. the £5 limit. Depending on the level of funding in 2020 we may still make an argument about providing flexibility in line with this.

Lancashire FRA has shown significant restraint regarding council tax increases, having the second lowest increase of any FRA between 2010/11 and 2019/20, an increase of just £5.83 (9.2%), and if you look at increases over the period of the four year settlement the same restraint has been shown, with Lancashire increasing council tax by just 7.1% compared with the maximum permissible under the referendum principles of 10.0%. In order to put this into context, for Lancashire each 1% of foregone council tax equates to £0.3m. As a result we feel that reducing the referendum limit to 2% is inequitable, penalising those Authorities who have previously shown restraint. It is also worth noting that the Fire Authority precept makes up a very small percentage of the overall council tax bill, approx. 4% in Lancashire, therefore any increase in our element of council tax has a relatively low impact on the overall council tax bill. Despite making up such a low amount of the overall council tax bill the cost of holding a referendum is far more significant than for any of the local councils, including the Unitaries and Lancashire, as our referendum would need to cover the whole of the County, at a cost which is estimated in the region of £1.5m. In order to recoup this cost we would need to increase council tax by 7% (5% more than the proposed referendum). Increasing council tax by a more marginal figure, 3% in line with previous thresholds, would only generated £0.3m more than the proposed 2% threshold, and as such it is impossible to justify the cost of holding a referendum to the local public against this size of increase.

We note that Mayoral Combined Authorities are not subject to a referendum threshold, and we can see no argument for this waiver applying just to those authorities, who incorporate the local Fire Service. This very much feels like a two tier system forcing all Authorities into a mayor model.”

As the deadline for response did not provide sufficient time to take to the Committee a response was agreed by the Chair and Vice-Chair of the Committee and duly submitted in October.

RESOLVED: - That the Committee noted and endorsed the response submitted.

69/19 LOCAL GOVERNMENT PENSION SCHEME VALUATION

The published 2019 valuation showed a marked improvement to the scheme as a whole, assets had grown significantly more than liabilities, hence the scheme as a whole had moved from a 90% funded scheme to 100% funded. This meant that for the scheme as a whole any deficit recovery costs would be significantly reduced, although it was recognised that the position would vary for each Authority.

The valuation had also identified that future service rates needed to increase by an average of 2.5%, recognising changes to scheme benefits and also changes in future assumptions such as mortality and investment returns. The overall valuation was extremely volatile, linked to investment returns and changing assumptions.

It was noted that the Government had consulted on moving from the current three year valuation cycle to a four year cycle from 2024. If this was agreed the next valuation, effective from 2023, would only set rates for two years to 2025, with the four year cycle commencing thereafter. As part of the process consideration was being given to the ability to undertake interim valuations or for administering authorities to amend employer contributions rates in between valuations, both of which would incur significant additional administrative costs.

Lancashire Fire Authority Fund

At the time of the last tri-annual valuation of the Local Government Pension Scheme the Fire Authority had a funding surplus of £4.3m, which was being drawn down over the agreed 16 year recovery period, £336k per annum.

The latest valuation showed a marked increase in the surplus, now standing at £9.7m, a funding level of 120%. The recovery period over which this was drawn down had also shortened to 13 years (in theory it reduced by 3 years each valuation). As a result the in-year draw down would increase to £745k in 2020/21 rising to £804k in 2022/23.

Offsetting this was the increase in future service rate, which had increased from 14.7% to 17.1%, an increase of 2.4% which, based on the current projected payroll equated to £135k additional cost. The profile of anticipated employer contributions for future service costs and draw down of the surplus was detailed in the report. No allowance has been made for the potential impact of the McCloud pension ruling, which has previously been reported to Members.

The Service had an option to pre-pay these amounts, either at the start of each year or as a one-off covering all three years, and receive a discount for doing so. Pre-paying this at the start of each year resulted in an overall saving of £11k, whilst pre-paying all three years in April 2020 resulted in a saving of £36k, this equated to a return of approx. 3.8% per annum, and as such it was recommended that the Authority took advantage of the one-off prepayment covering all three years. Any variation between actual costs due and the amount pre-paid would be actioned at the end of the valuation period.

RESOLVED: that the position be noted and the pre-payment of contributions, net of the surplus drawdown covering the 3-year period be approved.

70/19 SINGLE-USE PLASTIC PROMOTION

At a recent Combined Fire Authority meeting the question was posed by a Member as to what the Service had done in respect of eliminating single use plastics. This issue remained under review, and options to reduce use remained under consideration. The steps undertaken so far were noted as:-

Hydration

The most significant action undertaken so far; in addition to educating staff in respect of environmental concerns, was the issue of a reusable water bottle to each employee in March 2019 (both operational and support staff), to encourage individuals to remain hydrated and it was intended that this would significantly reduce the need for single use bottles (either purchased by the individual or utilised at incidents during the working day). The issue of the water bottle has been well received and favourably commented on, but as an emergency service involved in strenuous activity in hot conditions, (sometimes for extended periods) situations would continue to exist that required the provision of small water bottles.

Purchasing

In provision of consumables the issue of single use plastic was considered, alongside other relevant decision making factors – inevitably it was a compromise between cost, availability and practicality of provision, whether the item purchased

was for use on the fire ground or other areas such as in the Service Training Centre canteen facilities. This area was being kept under review. Alterations to our arrangements would normally have a negative financial impact during any tendering process and this aspect was considered in setting any qualification requirements.

Promotion

The Service had undertaken promotional work in respect of single use plastic as detailed in the report which also included some examples of the posters used. The SHE department and local Environmental champions were seen as the mechanism to advance the Service's position together with open consideration of alternative approaches where single use plastic was involved.

RESOLVED: - That the current position be noted.

71/19 DATE AND TIME OF NEXT MEETING

The next meeting of the Committee would be held on 25 March 2020 at 1000 hours in the Main Conference Room at Lancashire Fire and Rescue Service Headquarters, Fulwood.

Further meeting dates were noted for 20 May 2020 and 23 September 2020 and agreed for 25 November 2020.

72/19 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.

73/19 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.

RESOLVED: That the Committee noted and endorsed the report.

74/19 RECONVENED IDRP - STAGE 2

(Paragraph 1)

Members further considered the Internal Disputes Resolution Procedure – Stage 2 application discussed at the last meeting including the independent advice which had been requested.

RESOLVED: - The Committee declined the request.

75/19 URGENT BUSINESS - EXTENSION OF SICK PAY PROVISIONS (PART 2)

(Paragraph 1)

RESOLVED: - That the Committee approved the request on the specific facts.

M NOLAN
Clerk to CFA

LFRS HQ
Fulwood

LANCASHIRE COMBINED FIRE AUTHORITY RESOURCES COMMITTEE

Meeting to be held on 23 September 2020

YEAR END REVENUE OUTTURN 2019/20 (Appendix 1 refers)

Contact for further information:

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

Executive Summary

This report presents the revenue outturn position, and the impact of this on usable reserves.

The overall outturn position shows an overspend of £248k after allowing for the potential costs of backdating for pensionable allowances (the impact of this on reserves is set out in the Year End Usable Reserves and Provisions Outturn report, reported elsewhere on the agenda).

Recommendation

The Committee is asked to note and endorse the outturn position on the 2019/20 revenue budget, the associated drawdown of £286k from general reserves, and the transfer of £38k to the DFM earmarked reserve.

The Revenue Outturn Position

The annual budget for the year was set at £56.051m. The final outturn position shows net expenditure of £56.300m, giving a total overspend for the financial year of £248k. As set out in the Year End Usable Reserves and Provisions Outturn report (reported elsewhere on the agenda) it is proposed to transfer £38k to the DFM earmarked reserves, and to balance, draw down £286k from the general reserve.

The final outturn position differs from the forecast of £0.1m underspend in the November meeting due to the following:

- In March we received confirmation from MHCLG that the previously reported potential shortfall of £0.273m Section 31 grant relating to Business Rates Relief for 2019/20 would be paid following our meeting their criteria. The sum was received in March.
- the National Business Rates (NNDR) Levy fund surplus allocation income being paid to LFRS before the end of the financial year. The NNDR Levy Fund was created by the Government to fund business rates safety net grant payments from previously held back NNDR monies, any unused funds are now being redistributed, with LFRS receiving £53k. (We were notified of this at the end of February, with no prior indication).
- The national government exercise to audit the Section 31 grants in relation to Business Rates Reliefs for 2018/19 has now been completed, and as a result the Authority will receive a further £40k from Central Government in relation to this. (We received confirmation of this at the end of February, with no prior indication of this amount).

- Members will recall that we have previously reported that we had not included any costs of backdating pensionability of various allowances as we anticipated this being applicable in 2020/21. Since then, the Authority has made an offer to the representative bodies of backdating which, although still under discussion, we have included £0.6m of potential backdating costs in the year end outturn as presented.

The detailed final revenue position is set out in Appendix 1, with major variances being summarised below (note as reported throughout the year the variances shown relate to non-pay spend, with the variance on the pay budget being shown separately): -

Area	Overspend/ (Underspend) £'000	Reason
Service Delivery	(174)	The outturn underspend reflects:- <ul style="list-style-type: none"> An additional £58k of grant being allocated to the USAR Team by Government, this announcement only being made after the budget was set; The additional income generated at Preston due to the extension of the lease arrangement with NWS until September 2020, generating an additional £25k in 2019/20; We have now had final confirmation of the backdated rates bills for Lancaster Fire Station during the build process, which have resulted in an underspend of £57k compared to original assumptions; Underspends against the smoke detectors budget in line with the HFSC numbers being provided.
Winter Hill	(109)	As previously reported, we anticipated claiming under Bellwin for the Winter Hill incident, however we received the funding via Section 31 grant and have been reimbursed £109k, the full cost of the incident.
Training & Operational Review	(81)	The outturn reflects the drawdown of apprenticeship levy income for the wholtime firefighter recruits which was not originally budgeted due to uncertainties around the registration process to become a trainer-provider. This income has been included in the 2020/21 budget.
Other Non-DFM	551	The overspend outturn reflects: <ul style="list-style-type: none"> The budgeted funding gap of £0.5m, which was due to be met from a combination of in-year savings and draw down of reserves, which has been achieved within other areas of the budget as reported, hence the overspend against Non-DFM; The additional £0.2m MRP payment identified at the time of setting the budget in February 2020, as previously reported; Less the additional council tax collection fund surplus of £0.1m due from one of the billing authorities previously reported, and the additional £0.1m income in relation to business rates from MHCLG.

Whole-time Pay (including Associate Trainers)	429	The final outturn position for wholetime pay includes the position as previously reported, the £0.6m of potential costs of backdating pensionable allowances and various year-end adjustments for ad hoc payments such as overtime. As a result of these the overall whole-time budget is overspent £429k.
On-Call Pay	14	The outturn reflects the increase in demand led ad-hoc payments in the final quarter, and the final cohort of On-Call recruits coming on line at the start of March.
Support staff (less agency staff)	(194)	The outturn underspend relates to vacant posts across various departments, which are in excess of the vacancy factor built into the budget as reported throughout the year. The majority of these vacancies had been undergoing recruitment, although recruitment of technical specialists in ICT and Knowledge Management continues to take longer.
Apprentice Levy	(22)	The apprentice levy is payable at 0.5% of each months payroll costs, the budget for this was set at anticipated establishment levels, hence the underspend against this budget reflects the various pay budget underspends reported above.

Delivery against savings targets

The following table sets out the target level of efficiencies required in 2019/20 and performance against this target: -

	Annual Target	Savings at end of Mar
	£m	£m
Staffing, including post reductions plus management of vacancies	1.046	1.412
Reduction in cleaning budget	0.030	0.030
Reduction in Fleet insurance budget	0.020	0.021
Reduction in Organisational Development budget	0.053	0.048
Reduction in Training Centre catering budget	0.025	0.033
Procurement savings (these are savings on contract renewals, such as energy, laundry of fire kit and the WAN contracts)	-	0.175
Balance – cash limiting previously underspent non pay budgets	0.038	0.038
Total	1.212	1.757

The performance exceeded the target for the year, largely due to savings in respect of staffing costs and procurement savings.

Financial Implications

As outlined in the report

Business Risk Implications

The outturn report enables stakeholders to monitor how the Authority has performed financially in the year

Environmental Impact

None

Equality and Diversity Implications

None

Human Resource Implications

None

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

Paper	<i>Date</i>	Contact
Reason for inclusion in Part II, if appropriate:		

BUDGET MONITORING STATEMENT MAR 2020	Total Budget	Actual Spend to Mar 20	Variance O/Spend (U/Spend)	Variance Pay	Variance Non-Pay
	£000	£000	£000	£000	£000
Service Delivery					
Service Delivery	33,902	34,342	440	614	(174)
Winter Hill	-	(109)	(109)	-	(109)
Training & Operational Review	3,729	3,679	(49)	32	(81)
Control	1,191	1,191	(0)	-	(0)
Youth Engagement (inc PTV)	22	14	(8)	-	(8)
Special Projects	13	5	(8)	-	(8)
Strategy & Planning					
Fleet & Technical Services	2,696	2,709	13	27	(13)
Information Technology	2,550	2,443	(107)	(66)	(41)
Service Development	4,221	3,913	(308)	(290)	(17)
People & Development					
Human Resources	703	694	(9)	(5)	(4)
Occupational Health Unit	268	206	(61)	(4)	(57)
Corporate Communications	310	280	(31)	(18)	(13)
Safety Health & Environment	225	229	5	3	1
Corporate Services					
Executive Board	1,103	1,054	(49)	(50)	1
Central Admin Office	789	745	(44)	(40)	(4)
Finance	140	152	12	9	3
Procurement	993	957	(36)	(26)	(10)
Property	1,974	1,997	23	(12)	35
External Funding	-	0	0	0	0
Pay					
TOTAL DFM EXPENDITURE	54,828	54,503	(324)	175	(499)
Non DFM Expenditure					
Pensions Expenditure	1,313	1,283	(30)	-	(30)
Other Non-DFM Expenditure	(90)	513	603	52	551
NON-DFM EXPENDITURE	1,223	1,796	573	52	521
TOTAL BUDGET	56,051	56,300	248	227	21

This page is intentionally left blank

**LANCASHIRE COMBINED FIRE AUTHORITY
RESOURCES COMMITTEE**

Meeting to be held on 23 September 2020

**YEAR END CAPITAL OUTTURN 2019/20
(Appendices 1 and 2 refer)**

Contact for further information:

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

Executive Summary

This report presents:

- the year end position for the Authority’s capital programme, and how this has been financed;
- the impact of slippage from the 2019/20 capital programme into the 2020/21 programme.

Recommendation

The Committee is asked to:-

- note the capital outturn position, the financing of capital expenditure 2019/20 and the prudential indicators;
- approve the revised 2020/21 capital programme, the financing of this and the prudential indicators.

Information

The year end position for the Authority’s capital programme showed total expenditure of £2.9m compared with the budget of £3.6m, with the difference being slippage of £0.6m and an underspend of £0.1m. (Members are aware that slippage is simply a timing issue dependent on the progress of capital schemes, and not an indication of future underspends.) Details of this are set out in the table below, and in appendix 1.

Area of Spend	19/20 Budget	Actual Expenditure	Slippage	(Under) / Over spend	Explanation
	£m	£m	£m	£m	
Pumping Appliances	1.076	0.739	(0.338)	-	The budget allowed for the remaining stage payments for 7 pumping appliances from the 2018/19 programme. Technical design issues between the crew cab and chassis had significantly delayed the build of these vehicles as previously reported to Resources as part of the High Value Procurements report. Although we had originally expected delivery by the end of June 2020, phased delivery of these vehicles is now expected over the first two quarters of the next financial year, as the supplier is based in Scotland and has been subject to more stringent lockdown measures, hence the slippage shown.

Other Vehicles	0.981	0.890	(0.092)	0.001	This budget allowed for the replacement of various operational support vehicles, the most significant of which was the Water Tower, which was delivered during quarter one. In addition to these, the budget allowed for various support vehicles which are reviewed prior to replacement. Due to delivery timeframes there is a small amount of slippage to 2020/21.
Operational Equipment	0.082	0.005	(0.077)	-	This budget allowed for completion of the kitting out of three reserve pumping appliances, which is not yet complete, in addition to providing a £50k budget for innovations in fire-fighting to be explored. This has not been completed, and will slip forwards into next financial year.
Buildings	0.400	0.420	(0.050)	0.070	This budget allowed for: <ul style="list-style-type: none"> • Refurbishment of the Fire House, where work was completed in July, and where we incurred costs of £313k; • Initial costs of £107k relating to the STC Workshop development have been incurred, despite the full budget for this being moved to the 2021 budget in November, causing an overspend against this budget in 2019/20; • Based on the latest stock condition survey, several stations have identified upgrades to dormitory and shower facilities, however given the timing and the currently vacant Head of Property post, this will now be incurred in 2020/21.
ICT Systems	1.018	0.807	-	(0.211)	This budget allowed for: <ul style="list-style-type: none"> • The replacement station end project has been completed. • The replacement Storage Area Network has been delivered. • The replacement of the Services wide area network (WAN) providing an enhanced network and improving speed of use across the Service. The hardware has been delivered and commissioning work will be completed in quarter one of the new financial year. • The balance of the budget related to the replacement of various systems, in line with the ICT asset management plan. Reviews carried out have identified two systems which do not need replacing at this time, hence the underspend shown.
Grand Total	3.557	2.860	(0.557)	(0.140)	

The programme has been financed in year, from a combination of revenue contributions (£2.0m) and the drawdown of capital reserves (£0.9m), as shown in Appendix 1.

Prudential Indicators 2019/20

Under the prudential framework the Authority is required to identify various indicators to determine whether the capital programme is affordable, prudent and sustainable.

The revised indicators, after allowing for the various changes to the capital programme, are shown in the following table, alongside the actual outturn figures, and these show that performance has been within approved limits.

	Revised	Actual
Net financing costs (Income)	(£0.209m)	(£0.035m)
Ratio of Financing Costs to Net Revenue Stream (this expresses net financing charges as a % of total net revenue spending)	(0.37%)	(0.06%)

	Revised £m	Actual £m
Capital Expenditure (this is simply a measure of spend)	3.557	2.860
Capital Financing (how the spending was funded):		
Grants and contributions	-	-
Own resources	3.557	2.860
Debt	-	-
Total	3.557	2.860

	Revised £m	Actual £m
Capital Financing Requirement (this measures the authority's underlying need to borrow to fund its capital programmes)	0.197	nil

The Impact of Slippage from the 2019/20 Capital Programme into the 2020/21 Programme

The original approved capital programme for 2020/21 was £10.8m. This has been updated to reflect the final level of slippage of £0.6m, outlined above, therefore the final proposed capital programme for 2020/21 is £11.4m, which is funded from capital grant, revenue contributions, and capital reserves. The revised programme and its funding are set out in appendix 2. Whilst it is certain that due to the Covid-19 pandemic more slippage will occur during 2020/21, we are still reviewing the effect of this, however it is clear that there will be significant slippage in 2020/21. We provide an updated position to members at the November meeting.

The following table sets out the revised prudential indicators for 2020/21-2022/23, showing that the revised programme remains affordable, prudent and sustainable, as follows: -

	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Net financing costs (Income)	(£0.222m)	(£0.197m)	(£0.222m)
Ratio of Financing Costs to Net Revenue Stream. (the figures show that there is revenue income rather than costs.)	(0.39%)	(0.34%)	(0.37%)

	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m
Capital Expenditure	11.375	6.898	8.261
Capital Financing (how the spending will be funded):			
Grants and contributions	1.000	-	-
Own resources	10.375	6.898	8.261
Debt	-	-	-
Total	11.375	6.898	8.261

	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m
Capital Financing Requirement	-	-	-

Capital Reserves

Over the next five years the position in terms of capital reserves, available to fund future capital programmes will be as follows: -

	Capital Reserves	Capital Receipts	Capital Grant	Total
	£m	£m	£m	£m
Balance 31/3/19	17.4	1.6	0.0	19.0
Additions/utilisation in year	0.1	0.1	0.0	0.2
Balance 31/3/20	17.5	1.7	0.0	19.2
Additions/utilisation in year	(8.1)	0.0	0.0	(8.1)
Balance 31/3/21	9.4	1.7	0.0	11.1
Additions/utilisation in year	(3.2)	(1.7)	0.0	(4.9)
Balance 31/3/22	6.2	0.0	0.0	6.2
Additions/utilisation in year	(6.2)	0.0	0.0	(6.2)
Balance 31/3/23	0.0	0.0	0.0	0.0
Additions/utilisation in year	0.0	0.0	0.0	0.0
Balance 31/3/24	0.0	0.0	0.0	0.0
Additions/utilisation in year	0.0	0.0	0.0	0.0
Balance 31/3/25	0.0	0.0	0.0	0.0

As can be seen the capital programme over the next five financial years utilises all of the capital reserves and capital receipts.

Financial Implications

As outlined in the report

Business Risk Implications

The outturn report sets out how the Authority has performed financially in the year, and as such is a key means of stakeholders monitoring the Authority and assessing how it is performing.

Environmental Impact

The environmental impact of decisions relating to the capital programme will be considered as part of the project planning process, and where possible we will look to minimise the environmental impact of this where it is considered practical and cost effective to do so.

Equality and Diversity Implications

The capital programme in respect of replacement/refurbishment of existing property will include some element of adaptations to ensure compliance with the Equality & Disability legislation.

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:		

CAPITAL BUDGET 2019/20

CAPITAL BUDGET 2019/20	Revised Prog	Year End Outturn	Slippage	Est final Cost	Over/ (Under) Spend
Vehicles					
Pumping Appliance	1.076	0.739	(0.338)	1.076	0.000
Other Vehicles	0.981	0.890	(0.092)	0.982	0.001
	2.057	1.629	(0.429)	2.058	0.002
Operational Equipment					
Operational Equipment	0.082	0.005	(0.077)	0.082	-
	0.082	0.005	(0.077)	0.082	-
Buildings Modifications					
STC Redevelopment	0.350	0.420	-	0.420	0.070
NWAS Co-location - Morecambe	-	-	-	-	-
Area training hub - Morecambe	-	-	-	-	-
Enhanced station facilities	0.050	-	(0.050)	0.050	-
Lancaster Replacement	-	-	-	-	-
Preston Replacement	-	-	-	-	-
	0.400	0.420	(0.050)	0.470	0.070
ICT					
IT Systems	1.018	0.807	-	0.807	(0.211)
	1.018	0.807	-	0.807	(0.211)
Total Capital Requirement	3.557	2.860	(0.557)	3.417	(0.140)
Funding					
Capital Grant	-	-	-	-	-
Revenue Contributions	2.000	2.000	-	2.000	-
Earmarked Reserves	-	-	-	-	-
Capital Reserves	1.557	0.860	(0.557)	1.417	(0.140)
Total Capital Funding	3.557	2.860	(0.557)	3.417	(0.140)

CAPITAL BUDGET 2020/21

CAPITAL BUDGET 2020/21	Original Programme	Slippage	Revised Programme
Vehicles			
Pumping Appliance	1.060	0.338	1.398
Other Vehicles	2.189	0.092	2.280
	3.249	0.429	3.678
Operational Equipment			
Operational Equipment	0.100	0.077	0.177
	0.100	0.077	0.177
Buildings Modifications			
STC Workshop	4.200	-	4.200
NWAS Co-location - Morecambe	0.132	-	0.132
Area training hub - Morecambe	0.468	-	0.468
Enhanced station facilities	0.575	0.050	0.625
Drill tower replacements	0.200	-	0.200
	5.575	0.050	5.625
ICT			
IT Systems	1.895	-	1.895
	1.895	-	1.895
Total Capital Requirement	10.819	0.557	11.375
Funding			
Capital Grant	1.000	-	1.000
Revenue Contributions	2.150	-	2.150
Earmarked Reserves	-	-	-
Capital Reserves	7.669	0.557	8.225
Total Capital Funding	10.819	0.557	11.375

This page is intentionally left blank

LANCASHIRE COMBINED FIRE AUTHORITY RESOURCES COMMITTEE

Meeting to be held on 23 September 2020

YEAR END TREASURY MANAGEMENT OUTTURN 2019/20

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 2019/20. All borrowing and investment activities undertaken throughout the year are in accordance with the Treasury Management Strategy 2019/20.

Recommendation

The Authority is asked to note and endorse the outturn position 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 Director of Corporate Services and the content of these reports is used as a basis for this report to the Committee.

Investment and borrowing decisions are taken in the light of long term borrowing requirements, the estimated level of reserves and actual and estimated cash-flow. Consideration is also given to various risks and ensuring compliance with the Prudential Indicators. Decisions are taken in the light of current and forecasted economic decisions. Therefore this report provides information on:

- An economic overview
- Borrowing position
- Investment activity
- Comparison to the Prudential Indicators

Economic Overview

The UK's exit from the European Union and future trading arrangements had remained one of major influences on the UK economy and sentiment during 2019/20. The 29th March 2019 Brexit deadline was extended to 12th April, then to 31st October and finally to 31st January 2020. The UK's negotiations on the exit from the European Union together with its future trading arrangements drove volatility. The outcome of December's General Election removed a lot of the uncertainty and looked set to provide a 'bounce' to confidence and activity.

The headline rate of UK Consumer Price Inflation fell to 1.7% y/y in February, below the Bank of England's target of 2%. Labour market data remained positive. The ILO unemployment rate was 3.9% in the three months to January 2020 while the employment rate hit a record high of 76.5%. The average annual growth rate for pay excluding bonuses was 3.1% in January 2020 and the same when bonuses were included, providing some evidence that a shortage of labour had been supporting wages.

GDP growth in Q4 2019 was reported as flat by the Office for National Statistics and service sector growth slowed and production and construction activity contracted on the back of what at the time were concerns over the impact of global trade tensions on economic activity. The annual rate of GDP growth remained below-trend at 1.1%. However, coronavirus changed everything. COVID-19, spread across the globe in early 2020 causing falls in financial markets not seen since the Global Financial Crisis.

In response to the spread of the virus and sharp increase in those infected, the government enforced lockdowns, central banks and governments around the world cut interest rates and introduced massive stimulus packages in an attempt to reduce some of the negative economic impact to domestic and global growth.

The Bank of England, which had held policy rates steady at 0.75% through most of 2019/20, moved in March to cut rates to 0.25% from 0.75% and then swiftly thereafter brought them down further to the record low of 0.1%. In conjunction with these cuts, the UK government introduced a number of measures to help businesses and households impacted by a series of ever-tightening social restrictions, culminating in pretty much the entire lockdown of the UK.

The US economy grew at an annualised rate of 2.1% in Q4 2019. After escalating trade wars and a protracted standoff, the signing of Phase 1 of the trade agreement between the US and China in January was initially positive for both economies, but COVID-19 severely impacted sentiment and production in both countries. Against a slowing economic outlook, the US Federal Reserve began cutting rates in August. Following a series of five cuts, the largest of which were in March 2020, the Fed Funds rate fell from of 2.5% to range of 0% - 0.25%. The US government also unleashed a raft of COVID-19 related measures and support for its economy including a \$2 trillion fiscal stimulus package. With interest rates already on (or below) the floor, the European Central Bank held its base rate at 0% and deposit rate at -0.5%.

With the crisis there has been flight to quality in financial markets resulting in gilts yields to fall substantially for example the 10-year benchmark yield fell from 1% to 0.4%.

Borrowing

The borrowing of the Fire Authority has remained unchanged at £2m in 2019/20. The current approved capital programme has no requirement to be financed from borrowing and the debt relates to earlier years' capital programmes. While the borrowing is above its Capital Financing Requirement (CFR), which is the underlying need to borrow for capital purposes, this is because the Fire Authority has had a policy of setting aside monies in the form of statutory and voluntary minimum revenue provision (MRP) in order to repay debt as it matures or to make an early repayment. Consideration has been given to repaying the £2m but as reported to the Resources Committee as part of the 2020/21 Treasury Management Strategy the penalties incurred on repaying the loans early would incur significant costs. Also any early repayment means that cash balances available for investment will be reduced and hence interest receivable will also be reduced. It was concluded that the repayment was not considered to be financially beneficial at the time. However, the situation is periodically reviewed by the Director of Corporate Services.

The loans outstanding are all with the Public Loans Works Board (PWLB) and they were taken out in 2007 when the base rate was 5.75%. The maturity and interest rate of the Authority's borrowing is:

Loan amount	Maturity	Interest rate
£650k	December 2035	4.49%
£650k	June 2036	4.49%
£700k	June 2037	4.48%

Total interest paid on PWLB borrowing was £90k, which equates to an average interest rate of 4.49%.

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. Throughout the year when investing money the key aim was to strike an appropriate balance between risk and return.

In order to reduce credit risk to the Authority, Lancashire County Council (credit rating by Moodys Aa3) is the main counterparty for the Authority's investments via the operation of a call account. However the Treasury Management Strategy does permit investment with other high quality counterparties including other local authorities. During the year the cash held by the Authority has been positive with the highest balance being £48.0m and the lowest £27.7m, therefore, given that the expectation was that interest rates would remain low the opportunity was taken to undertake some fixed term investments with other local authorities rather than keeping all the monies in the call account. This aimed to enhance the investment return while keeping the credit risk low. At the year-end fixed investments of £10m were in place. However, during the year other fixed term investments had matured.

The table below shows the impact of fixed term investments in 2019/20:

Start Date	End Date	Principal	Rate	Interest in 2019/20
30/6/14	28/06/19	£5,000,000	2.40%	£28,932
18/10/18	19/10/20	£5,000,000	1.15%	£57,500
19/11/18	18/11/19	£5,000,000	1.00%	£31,644
19/12/18	19/06/19	£5,000,000	0.92%	£ 9,956
10/12/19	10/06/21	£5,000,000	1.20%	£18,575

Investing in these fixed term deposits, rather than leaving the money in the call account, has increased the interest received in 2019/20 although having fixed term deals does reduce the liquidity of the investments.

The call account provided by Lancashire County Council paid the base rate throughout 2019/20. 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. The average balance in this account during the year was £25.8m earning interest of £0.185m.

The overall interest earned during this period was £0.332m at a rate of 0.91% which compares favourably with the benchmark 7 day index (Sterling Overnight rate 7 day rate) which averages 0.74% over the same period.

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

Cash flow and interest rates continue to be monitored by the Director of Corporate Services and the County Council's treasury management team, and when rates are felt to be at appropriate levels further term deposits will be placed.

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 revised indicators for 2019/20 are shown in the table below alongside the actual outturn position.

	Revised	Actual
Adoption of the CIPFA Code of Practice for Treasury Management	Adopted	Adopted
Authorised limit for external debt	£000	£000
A prudent estimate of total external debt, which does not reflect the worst case scenario, but allows sufficient headroom for unusual cash movements		
Borrowing	6,000	2,000
Other long-term liabilities – these relate to vehicle finance leases and the PFI agreements	30,000	13.793
Total	36,000	15.793

Operational boundary for external debt		
A prudent estimate of debt, but no provision for unusual cash movements. It represents the estimated maximum external debt arising as a consequence of the Authority's current plans		
Borrowing	3,000	2,000
Other long-term liabilities – these relate to vehicle finance leases and the PFI agreements	18,000	13.793
Total	21,000	15.793
Upper limit for fixed interest rate exposure		
Borrowing	100%	100%
Investments	100%	31%
Upper limit for variable rate exposure		
Borrowing	25%	0%
Investments	100%	69%
Upper limit for total principal sums invested for over 365 days (per maturity date)	25.000	10.000
Maturity structure of debt	Upper/ Lower Limits	Actual
Under 12 months	100%/nil	-
12 months and within 24 months	50%/nil	-
24 months and within 5 years	50%/nil	-
5 years and within 10 years	50%/nil	-
10 years and above	100%/nil	100%

Financial Implications

The following table summarises the Financing costs for the Authority, comparing actual with budget:-

	Revised Budget £m	Actual £m	Reason for variance
Interest Payable on PWLB loans	0.090	0.090	
Interest Receivable on call account and fixed term investments	(0.309)	(0.332)	Minor variations due to changes in balances available from forecast
Minimum Revenue Provision re PWLB loans	0.010	0.197	Voluntary MRP of £0.187m approved in TM mid-year update reported Resources November 2019
Net financing income from Treasury Management activities*	(0.209)	(0.045)	

* There are financing costs associated with vehicle finance leases and the PFI agreements, which are not included in the balances above as they are not the result of Treasury Management activities.

Human Resource Implications

None

Equality and Diversity Implications

None

Business Risk Implications

The Treasury Management Strategy is designed to maximise interest earned, minimise interest paid whilst maintaining an acceptable level of risk. The reviews of performance provide members with an assurance that this has been complied with.

Environmental Impact

None

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

Paper	Date	Contact
Treasury Management Strategy 2019/20	February 2019	Keith Mattinson, Director of Corporate Services
Treasury Management Guidance	February 2017	Keith Mattinson, Director of Corporate Services
Reason for inclusion in Part II, if appropriate:		

LANCASHIRE COMBINED FIRE AUTHORITY RESOURCES COMMITTEE

Meeting to be held on 23 September 2020

YEAR END USABLE RESERVES AND PROVISIONS OUTTURN 2019/20 (Appendix 1 refers)

Contact for further information:

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

Executive Summary

This report presents the year end outturn position in respect of usable reserves and provisions. It is based on the information reported in the Revenue Outturn, Capital Outturn and Treasury Management Outturn reports.

Recommendation

The Committee is asked to:-

- note the additional £646k of earmarked reserves and the additional £298k of provisions, contributing to the overall revenue outturn position;
- agree the year end transfers associated with the revenue outturn, £286k from the general reserve and £38k to earmarked reserves;
- note the transfer of £877k from earmarked reserves into capital reserves;
- agree the year end transfer associated with the capital outturn, £860k drawdown from capital reserves;
- note £13k of capital receipts;
- note the additional £172k of unused revenue contributions to capital increasing capital reserves;
- note and endorse the overall level of reserves and provisions as set out in the report.

Information

The Authority approves its reserves and balances policy as part of its budget setting process, in February, with the year-end outturn position being reported to Resources committee and included in the statement of accounts.

The previously reported Revenue Outturn, Capital Outturn and Treasury Management Outturn all feed the Authorities overall reserves position, which is summarised over the page:-

	General Reserve	Earmarked Reserves	Capital Reserves	NWFC Reserves	Total Usable Reserves	Provisions	Total
	£m	£m	£m	£m	£m	£m	£m
Balances at 31/3/19	8.161	8.020	19.043	0.793	36.017	1.282	37.299
Revenue Adjustments							
• Utilised/Provided for In-Year	-	0.646	-	-	0.646	0.298	0.944
• Revenue Outturn	(0.286)	0.038	-	-	(0.248)	-	(0.248)
• Specific transfers to/(from) Earmarked Reserves	-	(0.877)	0.877	-	-	-	-
	(0.286)	(0.193)	0.877	-	0.398	0.298	0.696
NWFC reserves movement	-	-	-	(0.049)	(0.049)	-	(0.049)
Capital Adjustments							
• Capital Outturn	-	-	(0.860)	-	(0.860)	-	(0.860)
• Capital Receipts	-	-	0.013	-	0.013	-	0.013
• Unused Revenue Contributions	-	-	0.172	-	0.172	-	0.172
	-	-	(0.674)	(0.049)	(0.723)	-	(0.723)
Balances at 31/3/20	7.875	7.827	19.246	0.744	35.692	1.580	37.272

General Reserve

These are non-specific reserves which are kept to meet short/medium term unforeseeable expenditure and to enable significant changes in resources or expenditure to be properly managed in the medium term.

The Authority needs to hold an adequate level of general reserves in order to provide:-

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing;
- A contingency to cushion the impact of unexpected events;
- A means of smoothing out large fluctuations in spending requirements and/or funding available.

As a precepting Authority any surpluses or deficits are transferred into/out of reserves in order to meet future potential commitments, and as such the balance of the deficit on the revenue budget, £286k, has been drawn down from this reserve.

After allowing for transfers the Authority now holds a General fund balance of £7.9m. This is within the target range agreed by the Authority at its February meeting, £3.0m to £10.0m.

Earmarked Reserves

The reserve covers all funds, which have been identified for a specific purpose. The overall reserves level reduced slightly from £8.0m to £7.8m, with the detailed position in respect of the various earmarked reserves set out:-

	Balance at 31 March 2019	Transfer 2019/20	Balance at 31 March 2020	
	£m	£m	£m	
Devolved Financial Management	0.270	0.018	0.288	This reserve enables budget holders to carry forward any surplus or deficit from one financial year to the next, giving greater flexibility in managing budgets thereby optimising the use of available financial resources and facilitating better value for money. The levels of individual DFM reserves are reviewed each year as part of the revenue outturn/annual accounts process, to ensure that they are reasonable and that budget holders are not building up excessive reserves, with a maximum limit of £25k per budget. (Appendix 1 provides a breakdown of this reserve by individual department)
PFI Equalisation Reserve	4.413	0.070	4.483	This is used to smooth out the annual net cost to the Authority of both PFI schemes, and will be required to meet future contract payments. The level of reserve required to meet future contract payments has been updated to reflect current and forecast inflation levels.
PWLB Loan repayment penalty	0.877	(0.877)	-	This reserve was created to meet the potential penalty costs associated with repayment of the remaining PWLB loans however, given the reducing likelihood of repaying the loans with such a large penalty, the balance was transferred into the Capital Funding Reserve as part of the 2020/21 budget setting process.
Insurance Aggregate Stop Loss (ASL)	1.118	-	1.118	The Authority has aggregate stop losses (ASLs) on both its combined liability insurance policy (£0.4m) and its motor policy (£0.3m). This means that in any one year the Authority's maximum liability for insurance claims is capped at the ASL. As such the Authority can either meet these costs direct from its revenue budget or can set up an earmarked reserve to meet these. Within Lancashire we have chosen to meet the potential costs through a combination of the two. Hence the amount included in the revenue budget reflects charges in a typical year, with the reserve being set up to cover any excess over and above this. As such the reserve, combined with amounts within the revenue budget, provides sufficient cover to meet 2 years' worth of the maximum possible claims, i.e. the ASL. It is worth noting that the revenue budget allocation

				has also been reduced in recent years reflecting the claims history. Without holding this reserve to cushion any major claims that may arise this would not have been possible. There was no utilisation during 2019/20 as the costs were met from the revenue budget and existing insurance provision.
Fleet & Equipment	0.232	0.348	0.580	This reserve provides scope to meet new equipment requirements identified in-year, such as battery powered hand tools, and other new technologies. In addition the reserve has been increased by the unspent budgets for replacement structural firefighting boots and replacement duty rig, as neither were purchased in 2019/20, both of which should be spent during 2020/21, plus £0.1m for a delayed delivery of firefighting PPE which was received in April rather than March as expected.
Prince's Trust	0.298	0.074	0.372	This reserve has been established to balance short term funding timing differences and also to mitigate the risk of loss of funding and enable short term continuation of team activities, whilst alternative funding is found. Without this reserve any significant loss of funding would have an immediate impact on our ability to deliver the PT programme, and hence improve the lives of younger people. The impact on income in 2020/21 due to the Covid-19 pandemic is yet to be fully realised, this reserve will help bridge any gap in funding.
Apprentices/ Graduates	0.152	-	0.152	This reserve was created from the in-year underspend relating to the appointment of apprentices, which was delayed awaiting national developments. As such the reserve has been set up to offset some of the pay costs that will be incurred in future years, with the balance being met direct from the revenue budget. The flexibility this creates contributes to addressing apprenticeship targets, set by the Government, as well as addressing capacity issues within departments.
ESMCP Ring fenced Funding	0.160	(0.064)	0.096	As part of the Emergency Services Mobile Communication Programme (ESMCP), transitional funding was made available to fund costs associated with the transition to the new national arrangements, with any funds not previously spent being utilised.
Innovation Fund	0.500	-	0.500	This reserve was established to cover any unfunded developments that are identified which will improve service delivery or fire fighter safety, with any requests to utilise the fund requiring the approval of the Executive Board.
Covid-19 Ring fenced Funding	-	0.189	0.189	This fund is the unspent balance of specific grant funding received in March 2020 to assist Fire Services with additional costs in relation to the

				response to the Covid-19 pandemic. We received further funding in 2020/21.
Various other ad hoc reserves	-	0.048	0.048	This balance covers various other smaller reserves in relation to timing issues, ie budgets not spent during 2019/20 that will be spent during 2020/21.
	8.020	(0.193)	7.827	

Capital Reserves and Receipts

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

Capital Receipts are generated from the sale of surplus assets, which have not yet been utilised to fund the capital programme.

In 2019/20 we utilised £860k of capital reserves. However this was partly offset by the sale of assets, which generated £13k of capital receipts from sale of a vehicle.

As a result of this the Authority currently holds £19.0m of capital reserves/receipts.

	Capital Reserves	Capital Receipts	Total
Balance at 31 March 2019	17.393	1.650	19.043
Capital receipts	-	0.013	0.013
Capital expenditure	(0.860)	-	(0.860)
Transfer from earmarked reserves	0.877	-	0.877
RCCO not utilised in 2019/20	0.172	-	0.172
Balance at 31 March 2020	17.583	1.663	19.246

However the 20/21 capital programme, after allowing for slippage, shows all of this being utilised over the next 3 years of the capital programme.

North West Fire Control Reserves

The North West Fire Control (NWFC) reserves brought forwards form part of the opening balances, and the draft accounts' balances are included in the report and the draft accounts. This is not available for our use as it is our share of the NWFC required reserves.

Provisions

The Authority has three provisions to meet future estimated liabilities:-

- Insurance Provision, which covers potential liabilities associated with outstanding insurance claims. A review of current claims outstanding and our claims history has been undertaken and as such the provision has increased to £522k at 31 March 2020.

- RDS Provision, which covers potential costs associated with RDS personnel relating to employment terms and eligibility to join the Pensions Scheme.
- Business Rates Collection Fund Appeals Provision, which covers the Authority's share of outstanding appeals against business rates collection funds, which is calculated each year end by each billing authority within Lancashire based on their assumptions of outstanding appeal success rates, as part of their year-end accounting for the business rates collection fund.

	Insurance Provision	RDS Provision	Business Rates Collection Fund Appeals Provision	Total
Balance at 31 March 2019	0.502	0.022	0.758	1.282
Additional provision/(Utilised in year)	0.020	-	0.278	0.298
Balance at 31 March 2020	0.522	0.022	1.036	1.580

Summary

The overall position at year end shows the Authority (excluding draft North West Fire Control balances) holding £37.3m of reserves and provisions, compared with the anticipated position of £35.4m identified in the Reserves and Balances Policy, agreed in February. The majority of the difference relating to:

- The slippage on the capital programme, £0.6m;
- Unexpected NNDR levy fund surplus and S31 grant in relation to previous years, £0.1m;
- The unspent balance of the Covid-19 specific grant received in March, £0.2m; and
- Several planned areas of spend which have been deferred to 2020/21.

At this level the Treasurer believes these are adequate to meet future requirements in the medium term.

Future forecasts (excluding NWFC balances) have been updated and are set out below:-

	General Reserve	Earmarked Reserve	Capital Reserves & Receipts	Total Usable Reserves	Provisions	Total Reserves & Balances
	£m	£m	£m	£m	£m	£m
Balance 31/3/19	8.2	8.0	19.0	35.2	1.3	36.5
Change in year	(0.3)	(0.2)	0.2	(0.3)	0.0	(0.3)
Balance 31/3/20	7.9	7.8	19.2	34.9	1.3	36.2
Change in year	(0.4)	(0.9)	(8.2)	(9.5)	0.0	(9.5)
Balance 31/3/21	7.4	6.9	11.1	25.4	1.3	26.7
Change in year	(0.6)	(0.4)	(4.8)	(5.8)	0.0	(5.8)
Balance 31/3/22	6.8	6.5	6.2	19.6	1.3	20.9
Change in year	(0.4)	(0.3)	(6.2)	(6.8)	0.0	(6.8)
Balance 31/3/23	6.4	6.3	0.1	12.8	1.3	14.1
Change in year	(0.6)	(0.2)	(0.0)	(0.8)	0.0	(0.8)
Balance 31/3/24	5.8	6.0	0.1	11.9	1.3	13.2
Change in year	(0.2)	(0.2)	(0.1)	(0.4)	0.0	(0.4)
Balance 31/3/25	5.6	5.8	0.0	11.5	1.3	12.8

Financial Implications

As outlined in the report.

Business Risk Implications

The outturn report enables stakeholders to monitor how the Authority has performed financially in the year.

Environmental Impact

None

Equality and Diversity Implications

None

Human Resource Implications

None

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

Paper	<i>Date</i>	Contact
Reason for inclusion in Part II, if appropriate:		

Devolved Financial Management Earmarked Reserve

	Balance at 31 March 2019	Transfer 2019/20	Balance at 31 March 2020
	£000	£000	£000
Service Delivery			
Service Delivery	(100)	-	(100)
Winter Hill	-	-	-
Training & Operational Review	-	(25)	(25)
Control	-	-	-
Prince's Trust Volunteers Scheme	(25)	-	(25)
Strategy & Planning			
Fleet & Technical Services	(13)	13	-
Information Technology	(25)	-	(25)
Service Development	(25)	-	(25)
Special Projects	(15)	2	(13)
People & Development			
Human Resources	(10)	1	(9)
Occupational Health Unit	(10)	-	(10)
Corporate Communications	-	(10)	(10)
Safety Health & Environment	-	-	-
Corporate Services			
Executive Board	-	-	-
Central Admin Office	(5)	-	(5)
Finance	(5)	-	(5)
Procurement	(25)	-	(25)
Property	-	-	-
External Funding	(12)	1	(11)
Pay			
TOTAL	(270)	(18)	(288)

LANCASHIRE COMBINED FIRE AUTHORITY RESOURCES COMMITTEE

Meeting to be held on 23 September 2020

UNAUDITED STATEMENT OF ACCOUNTS 2019/20 (Appendix 1 refers)

Contact for further information:

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

Executive Summary

This report presents the Unaudited Statement of Accounts for the Combined Fire Authority for the financial year ended 31 March 2020.

Members should note that the Statement presented includes the Authority's 25% share of North West Fire Control Ltd draft year end position for 2019/20.

Members should also note that there will be a further pensions adjustment in respect of the recent HMT consultation on the McCloud/Sargeant remedy, estimated by our actuaries to reduce the Firefighters pension scheme liabilities by up to 1% (up to £8.1m).

Recommendation

The Committee is asked note and endorse the Unaudited Statement of Accounts.

Information

The Statement of Accounts take account of the information presented in the Year End Revenue Outturn, Year End Capital Outturn, Year End Treasury Management Outturn and Year End Usable Reserves and Provisions Outturn reports, and are attached as Appendix 1. However it must be borne in mind that they are prepared in line with recommended accounting practice and this is not accounted for on the same basis as we account for council tax. As such this means they do not match the details in the Outturn reports, and hence the following sections provide an overview of each statement and a reconciliation between Outturn reports and the Core Financial statements where appropriate.

Members should also note that the Statement presented includes the Authority's 25% share of North West Fire Control Ltd draft year end position for 2019/20.

Members should also note that there will be a further pensions adjustment in respect of the recent HMT consultation on the McCloud/Sargeant remedy, estimated by our actuaries to reduce the Firefighters pension scheme liabilities by up to 1% (up to £8.1m). Once our actuaries have completed the additional analysis, any changes required will be built into the final version of the Statement of Accounts.

Narrative Report

This sets out the financial context in which the Combined Fire Authority operates, and provides an overview of the financial year 2019/20 as well as details of future plans.

Annual Governance Statement

This reflects the position the Authority has reached in connection with corporate governance, including internal controls and risk management, including a review of the effectiveness of these arrangements, as reported at the Audit Committee in July.

Auditors Report and Opinion

This will set out the Auditors opinion on the Statement of Accounts, and will be included on completion of the audit which commenced in August.

Statement of Responsibilities

This sets out the responsibilities of the Authority and the Treasurer in terms the overall management of the Authority's finances and in terms of the production of the annual accounts.

Comprehensive Income & Expenditure Account

This statement shows the accounting cost in the year of providing services. It is a summary of the resources that have been generated and consumed in providing services and managing the Authority during the last year. It includes all day-to-day expenses and related income on an accruals basis, as well as transactions measuring the value of fixed assets actually consumed and the real projected value of retirement benefits earned by employees in the year.

The main points to note are: -

	2019/20	2018/19	
Service Delivery	34,771	27,673	The cost of Service Delivery shows an increase when compared with the previous year, attributable to both the increased Fire Fighters pension employer's contribution costs (which is offset by additional grant shown within Overheads), and the effect of the adjustment required in respect of pension liabilities under IAS 19.
Strategy & Planning	8,684	7,680	The cost of Strategy & Planning shows an increase when compared with the previous year, attributable to both the increased Fire Fighters pension employer's contribution costs (which is offset by additional grant shown within Overheads), and the effect of the adjustment required in respect of pension liabilities under IAS 19.
People & Development	1,633	1,604	The cost of People & Development is broadly comparable with last year.
Corporate Services	5,040	4,212	The cost of Corporate Services shows an increase when compared with the previous year, attributable to both the centralisation of utility costs within the Property department, and the effect of the adjustment required in respect of pension liabilities under IAS 19.

Fire Fighters Pensions	1,283	1,242	These are the ongoing pension costs relating to previous ill health or injury retirements, which have remained at a broadly similar level to the previous year.
Overheads	4,746	37,643	This heading includes all capital financing charges, refunds made in respect of the LGPS surplus, and depreciation and impairment charges made in respect of assets. The reduction is attributable to changes associated with the adjustment required in respect of pension liabilities under IAS 19 during 2018/19.
Gain on Disposals of Fixed Assets	(14)	(68)	This relates to the sale of surplus vehicles.
Interest Payable	1,461	1,479	This heading includes interest payable in respect of loans and interest charges associated with the PFI schemes and finance leases, in line with the previous year's charges.
Pension Interest Cost and Expected Return on Assets	21,150	20,276	This relates to adjustments required under IAS 19 requirements, and is designed to show the expected increase in costs of the scheme less the expected increase in asset values. As the Fire-fighters pensions' scheme is unfunded there is no increase in asset value to offset the increase in scheme costs resulting in the charge to the Income and Expenditure Account.
Interest Receivable	(332)	(358)	The level of interest earned on investments has reduced in line with base rate changes during the year. Several fixed term investments matured during the year, which has increased the call account balance, held at very low interest rates.
Taxation on North West Fire Control	-	1	The Authority's 25% share of any tax payable by North West Fire Control.
Council Tax	(30,724)	(29,440)	Amounts raised through council tax, including the Authority's element of council tax collection fund surplus accumulated during the preceding year by the billing authorities. This amount reflects the total amount due, rather than simply the amount of cash received in year.
Revenue Support Grant	-	(9,262)	The level of Revenue Support Grant allocated to the Authority by the Government. Due to the participation in the Lancashire Business Rates 75% Pool in 2019/20 all Revenue Support grant was replaced by retained Business Rates.
Non-Domestic Rates Redistribution	(23,930)	(15,405)	Amounts raised through non-domestic rates, including the Authority's element of business rates collection fund surplus accumulated during the preceding year by the billing authorities, in addition to top up grant receivable from the Government as part of the localisation of business rates. This

			amount reflects the total amount due, rather than simply the amount of cash received in year. The increase reflects the Authority's participation in the Lancashire Business Rates Pool, and the replacement of Revenue Support grant with Business Rates.
Capital Grant Income	(417)	(563)	The Authority's 25% share of North West Fire Controls capital grants for the year.
Business rates S31 grant	(1,654)	(946)	This grant is allocated to the Authority by the Government, and relates to small business rates reliefs allowed by the Government as part of the localisation of business rates.
Deficit on the Provision of Services	21,699	45,769	The overall deficit shows that expenditure incurred exceeded income generated over the last twelve months, and is measured in terms of the resources consumed and generated. However, this includes a number of accounting entries which do not impact on council tax levels, most notably those relating to the pensions schemes. As such this does not show the actual surplus when comparing spend against council tax. The 2018/19 balance includes £33m pensions adjustment to reflect the ongoing McCloud remedy.
(Surplus)/Deficit on Revaluation of Non-Current Assets	(4,140)	(4,539)	This is a notional change in the value of fixed (non-current) assets, based on changes in market conditions etc. No actual change in value will be achieved until such time as the asset is disposed of.
Actuarial (Gains)/ Losses on Pensions Assets and Liabilities	(68,755)	19,884	This is a notional charge arising from the Actuary changing their assumptions on which future pensions liabilities are calculated, such as mortality rates, future interest rates, pay and pension increases, return on assets etc, for both the Firefighters and Local Government pension schemes. The majority of the gains in 19/20 reflect the reduction in previous assumptions regarding future pay and pensions increases in the fire fighters' scheme, with the previous year assuming larger pay and pensions increases than the year before. Note the 19/20 amount will change following revised assumptions around the McCloud/Sargeant remedy, as reported above.
Total Comprehensive Income and Expenditure	(51,196)	61,114	This shows the total cost of providing services, presented in accordance with generally accepted accounting practices, rather than showing the amount funded from taxation.

In order to aid understanding the following table shows the comparison between the revenue budget position, as set out in the Year End Revenue Outturn report, and the Total Comprehensive Income and Expenditure figure set out above: -

	£m
Revenue Outturn	0.248
Earmarked reserves utilised/provided for in year	0.038
Accounting for pensions under IAS19	20.661
Revenue Contributions to Capital Outlay	(2.000)
Adjustments between accounting basis and funding basis under regulations	2.752
Deficit on the provision of services	21.699
Surplus on revaluation of non-current assets	(4.140)
Actuarial loss on pensions assets and liabilities	(68,755)
Total Comprehensive Income and Expenditure	(51.196)

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the authority, analysed into:-

- Usable Reserves - those that the Authority may use to provide services or reduce local taxation, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use
- Unusable Reserves – those include reserves that hold unrealised gains and losses (e.g. the revaluation reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences ‘between accounting basis and funding basis under regulations’.

The main points in respect of are:-

	Usable Reserves	Unusable Reserves	Total Reserves	
Balance at 1 April	36,017	(782,770)	(746,754)	
Deficit on the provision of service	(21,699)	-	(21,699)	This shows the true economic cost of providing the Authority’s services, more details of which are shown in the Comprehensive Income and Expenditure Statement. As set out earlier it is not accounted for on the same basis as we account for council tax and hence does not tie in to the actual revenue position set out in the Year End Revenue Outturn report.
Other Comprehensive Income and Expenditure	-	72,895	72,895	This relates to the surplus on revaluation of non-current assets and the actuarial loss on pensions assets and liabilities

Charges for depreciation and impairment of non-current assets	4,059	(4,059)	-	This shows the costs charged to the revenue budget for the utilisation of fixed assets in the year
Amortisation of intangible assets	135	(135)	-	This shows the costs charged to the revenue budget for the utilisation of intangible assets (Software) in the year
Amount by which the Code and the statutory pension costs differ	20,661	(20,661)	-	This shows the difference between the change in pension liability from one year to the next and the level of employer pension contributions and retirement benefits allowed for in the revenue budget/council tax calculation.
Amount by which collection fund income in the comprehensive income and expenditure statement is different from collection fund income calculated for the year in accordance with statutory requirements	(93)	93	-	This shows the difference in value between the amount due to be raised from council tax and business rates, as agreed as part of the budget setting process, and the amount collection authorities have actually collected on our behalf in the year, i.e. the difference between the assumed collection rate and the actual collection rate, the surplus in 2019/20 reflecting the fact that authorities have collected less than anticipated.
Provision for the repayment of debt	(576)	576	-	This is the charge made against the revenue budget to reduce future borrowing requirements, and includes an element relating to debt associated with PFI and finance leases
Capital expenditure charged against General Fund Balance	(2,000)	2,000	-	This is the level of capital expenditure which has been funded from contributions from the 2019/20 revenue budget, as agreed as part of the budget setting process and as shown in the Year End Capital Outturn report.
Net increase / decrease before transfers to earmarked reserves	488	50,709	51,196	This shows the Usable Reserves Balance change in year before any discretionary transfers to or from Earmarked Reserves undertaken by the Authority.

Transfers (to)/from earmarked reserves to unusable reserves	-	-	-	There were no transfers from earmarked reserves into unusable reserves during either year.
Transfers (to)/from capital funding reserves to unusable reserves	(860)	860	-	These represents the transfers from the capital funding reserve referred to in the Year End Capital Outturn report and the Year End Usable Reserves and Provisions report.
Amount by which remuneration charged on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	47	(47)	-	This represents the movements on the Accumulated Absences Adjustment Account, which reflects the increase in the amount of leave owing to staff as at year end.
Increase/Decrease in the year	(325)	51,521	51,196	This is the net change to reserves, comprising the Surplus/Deficit on provision of services, less any adjustments for items which don't affect council tax and any transfers to/from earmarked reserves and ties into the overall change in Usable reserves included in the Year End Usable Reserves and Provisions Outturn report
Balance at 31 March	35,692	(731,249)	(695,557)	These are the final reserve balances which are reflected in the balance sheet in the statement of accounts, and which tie in to the values shown in the Year End Usable Reserves and Provisions Outturn report.

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority.

The main points to note are: -

	2019/20	2018/19	
Long Term Assets			
Property, Plant & Equipment	99,214	96,700	The value of property, plant & equipment has increased by £2.5m, due to the level of capital expenditure (£2.4m as shown in the Year End Capital Outturn report) and the net revaluation gains of £4.0m compared with depreciation charges of £3.9m.
Intangible assets	859	343	Intangible assets are assets which do not have a physical form, such as software, the reduction in value reflecting the level of amortisation of these assets, representing their usage in year.
Long Term Investments	5,000	5,000	The Authority holds one investment with Local Government bodies which is classed as long-term investments, i.e. over 12 months in duration, as shown in the Year End Treasury Management Outturn report.
Current Assets			
Inventories	237	239	The value of stock held has remained in line with last year.
Short-Term Investments	5,000	15,000	The Authority holds one investment with Local Government bodies (three in the previous year) which are classed as short-term investments, i.e. under 12 months in duration, as shown in the Year End Treasury Management Outturn report.
Short-Term Debtors	8,801	9,737	Debtors represent monies owed to the Authority on 31st March 2020. In order to improve cash flow this figure should be as low as possible, however it is inevitable that there will always be a balance on this due to the timing of invoices and the debt recovery process. The level of debtors at the year-end has remained broadly consistent, with the main debt relating to Council Tax, Business Rates (which represent our share of debts that billing authorities hold) and amounts owed to the Authority by the FF pension fund in the form of top up grant paid during July 2020.
Cash & Cash Equivalents	27,992	14,841	This represents the cash book balance at the year end, which is held in a call account by Lancashire County Council (LCC) as shown in the Year End Treasury Management Outturn report. The increase reflects the maturity of several short-term investments during the year.

Current Liabilities			
Other Short-Term Liabilities	(417)	(384)	This relates to short term liabilities in respect of the Authorities PFI contracts with PFF Lancashire Ltd and Balfour Beatty Fire and Rescue NW Ltd and in addition the short-term element of finance leases.
Short-Term Creditors	(8,420)	(6,265)	This figure represents the amount of money we owe to other bodies at 31st March 2020. The majority of the increase reflects the receipt of £1.3m grant relating to business rates relief due in 2020/21 during March 2020.
Long Term Liabilities			
Provisions	(1,580)	(1,282)	This shows the outstanding provisions, relating to the potential cost of outstanding insurance claims, which will have to be met by the Authority in future years, the remaining balance of the potential costs associated with Retained Fire-fighters' claims (under the Part-Time Workers (prevention of less favourable treatment) Regulations 2000) concerning employment terms, and also the Authority's share of billing authorities' business rates outstanding appeals. The increase relates to amounts set aside by billing authority's in relation to our share of their Business Rates appeals.
Long-Term Borrowing	(2,000)	(2,000)	This represents the amount of long-term debt that the Authority holds which does not mature within the next 12 months. The balance of £2.0m is due to mature between 2035-2037.
Other Long-Term Liabilities	(830,173)	(878,683)	This majority of this relates to adjustments required under IAS 19, and shows the extent to which the authority's liability to pay pension benefits in the future exceeds the value of assets held. This is particularly significant for the Fire Authority due to the unfunded nature of the fire-fighters pension scheme, resulting in a net liability of £817m. This also includes liabilities covering the remainder of the contract associated with the two PFI contracts; <ul style="list-style-type: none"> • PFF Lancashire Ltd for the provision of two fire stations, • Balfour Beatty Fire and Rescue for the provision of four fire stations within Lancashire, as part of the joint contract to provide sixteen stations across Lancashire, Cumbria and Merseyside.

			In addition, this also includes liabilities relating to an outstanding finance lease. Note the 1920 pensions liability will change following revised assumptions around the McCloud/Sargeant remedy, as reported above.
Total Assets Less Liabilities	(695,557)	(746,754)	

Financed By			
Usable Reserves:			
Revenue Reserves	(16,008)	(16,370)	This is the level of reserves that the Authority currently holds which can be utilised to offset future revenue expenditure, subject to the need to maintaining a prudent level of reserves and any statutory limitations on their use. It includes the general reserves as well as any earmarked reserves. The reduction in year represents the revenue budget deficit for the year, as referred to in the Year End Revenue Outturn report, and the Usable Reserves and Provisions Outturn report.
Capital Funding Reserve	(17,583)	(17,393)	This reserve holds £17.6m of balances to fund future capital expenditure, as referred to in the Year End Capital Outturn and Usable Reserves and Provisions Outturn reports.
Capital Grant Unapplied	(438)	(605)	The capital grant unapplied relates to the Authority's share of the NWFC end of year balances.
Usable Capital Receipts Reserve	(1,663)	(1,649)	This represents the proceeds from the sale of fixed assets which are used to finance capital investment. To class as capital receipts the value of the sale must exceed £10,000. The increase in value representing the sale proceeds vehicles, as referred to in the Year End Capital Outturn and Usable Reserves and Provisions Outturn reports.
Unusable Reserves:			
Revaluation Reserve	(46,444)	(43,925)	This account holds unrealised revaluation gains, or losses, from holding fixed assets, as such any revaluations that have taken place since 1 April 2007 are reflected in this reserve. These reserves are matched by fixed assets within the Balance Sheet and are not resources available to spend.
Capital Adjustment Account	(39,325)	(38,641)	The Capital Adjustment Account provides a balancing mechanism between the different rates at which assets are depreciated under the Code and are financed through the capital controls system. These reserves are matched

			by fixed assets within the Balance Sheet and are not resources available to spend.
Collection Fund Adjustment Account	(589)	(496)	This account reflects the net effect of the adjustments required to show our share of each billing authority's council tax and business rates debtors and creditors at year end, in our case this shows a deficit of £589k.
Accumulated Absences Adjustment Account	811	764	This account represents the value of leave accrued at the year end, but which has not yet been taken, and hence has been carried forward into the new financial year. However, given that the leave year for Fire Fighters runs from January to December leave entitlement is calculated on a pro-rata basis which can distort the overall position.
Pensions Reserve	816,796	864,889	This relates to adjustments required under IAS 19, and is a notional reserve required in order to offset the net liability of the Authority in respect of the pension schemes. Note the 19/20 reserve balance will change following revised assumptions around the McCloud/Sargeant remedy, as reported above.
	695,557	746,754	

Cash Flow Statement

The cash flow statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The main points to note are:-

	2019/20	2018/19	
Net Cash Flows Arising From Operating Activities	7,786	5,238	This shows the level of net cash generated by revenue activities, i.e. the level of income received in the form of grant, council tax etc. offset by payments made in respect of employee costs and non-pay costs etc.
Investing Activities	7,116	(17,377)	This shows the cash outflows which have been made for resources that are intended to contribute to the Authority's future service delivery, such as £10m returning from short term deposit, and £2.4m of expenditure on capital assets.
Financing Activities	(1,822)	(1,789)	This relates to the repayment of long term debt, including that associated with PFI and finance leases.

Net increase/(decrease) in cash and cash equivalents	13,080	(13,928)	This shows the movement in the net cash immediately available within the Authority in a call account with LCC. This shows a significant reduction in year, reflecting the short term investments placed during the year, and ties in to the figure included in the Treasury Management Outturn report
--	--------	----------	---

Signing of the Statement of Accounts

The unaudited Statement of Accounts has been signed by the Treasurer to certify that it presents a true and fair view of the financial position of the Authority as at 31 March 2020.

This will be subject to review by the Authority's external auditors, Grant Thornton, which is scheduled to take place in August and September. A further report will be presented to the Audit Committee in November, following inclusion of revised IAS19 pensions adjustments and completion of the external audit. At this meeting the Chair of the Audit Committee will be asked to sign the final statement of accounts, as well as the Treasurer.

Financial Implications

As outlined in the report

Business Risk Implications

The Statement of Accounts sets out how the Authority has performed financially in the year, and as such is a key means of stakeholders monitoring the Authority and assessing how it is performing.

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
SORP and Guidance	February 2020	Keith Mattinson, Director of Corporate Services
Final Account Working Papers	July 2020	Keith Mattinson, Director of Corporate Services
Reason for inclusion in Part II, if appropriate:		



STATEMENT OF ACCOUNTS

2019/20

LANCASHIRE COMBINED FIRE AUTHORITY

STATEMENT OF ACCOUNTS 2019/20

CONTENTS

	Page
Narrative Report	1
Statement on Annual Governance Arrangements	8
Independent Auditor's Report to the Members of Lancashire Combined Fire Authority	14
Statement of Responsibilities	18
Comprehensive Income and Expenditure Statement	19
Movement in Reserves Statement	20
Balance Sheet	22
Cash Flow Statement	23
Notes to the Core Financial Statements	24
Fire Fighters Pension Fund Account and Net Assets Statement	63
Glossary of Terms	65

NARRATIVE REPORT

The Lancashire Combined Fire Authority (CFA) (the Authority) was established as a free-standing body from 1 April 1998. It sets its own budget, holds its own reserves, raises its own council tax and receives funding direct from the Government and through business rates.

The Authority must prepare and publish a Statement of Accounts annually. Its purpose is to give electors, local taxpayers, Fire Authority Members, employees and other interested parties clear information about the Fire authority's finances.

The aim is to provide information on:

- the cost of providing Fire Authority services in the financial year 2019/20
- how these services were paid for
- what assets the Fire Authority owned at the end of the financial year, and
- what was owed, to and by, the Fire Authority at the end of the financial year.

This narrative report gives a guide to the most important matters included in the Statement of Accounts.

Contents of this Statement of Accounts

This Statement of Accounts covers the financial year ended on 31 March 2020 (referred to as 2019/20). It has been prepared in accordance with the Accounts and Audit Regulations 2015 and the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20. The Statement contains:

Statement on Annual Governance Arrangements – Sets out the Authority's responsibilities with regard to the system of internal control and corporate governance.

Independent Auditor's Report to the Members of Lancashire Combined Fire Authority – The Auditor's report to the CFA on the accounts for 2019/20, which are set out in the sections shown below.

Statement of Responsibilities for the Statement of Accounts – Sets out the responsibilities of the Authority and the Treasurer with regards to the statement of accounts.

Comprehensive Income & Expenditure Statement - This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Fire Authority raises taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

Movement In Reserves Statement – This statement shows the movement in year on the different reserves held by the Fire Authority analysed between usable and other reserves. The surplus or (deficit) on the Provision of Services line shows the true economic cost of providing the Fire Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

Balance Sheet – This shows information on the financial position of the Fire Authority as at the 31 March 2020, including the level of balances and reserves at the Fire Authority's disposal, its long term indebtedness and the value of the assets held by the Fire Authority.

Cash Flow Statement – This shows the cash and cash equivalent movements in and out of the Fire Authority due to transactions with third parties for revenue and capital purposes.

Fire Fighters Pension Fund Account and Net Assets Statement – Shows the financial position of the fire fighters pension fund account, showing whether the Authority owes, or is owed, money by the Government in order to balance the account, together with details of its net assets.

Review of the Year

We have remained financially secure and are in a strong position not only to face future challenges but to lead innovation and improvements in our sector. We have continued to invest in people, training and equipment; prioritised operational effectiveness and efficiency to meet the challenges of an increasingly complex environment; embedded clear values and strong leadership throughout the organisation; and looked for new ways to collaborate to improve services for local people.

2019/20 saw the completion of the third and final tranche of independent inspections of the Fire Service by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS), following on from the first tranche done in 2018/19 which included the Authority. We remain one of only two services in the country to receive an outstanding rating along with all other areas rated as good, and no areas requiring improvement in any of the 11 categories assessed. We have remained focussed on continuous improvement since our inspection in 2018 and progress is being made in areas including improving protection services, identifying high potential staff and aspiring leaders and prioritising our risk-based inspection programme.

In March 2020 the Authority won the UK Fire Service of the Year at the iESE 2020 public sector award ceremony when nominated alongside three other fire services. The judges were impressed by the service's longstanding commitment to offering the best equipment and training. The judges also remarked that the service has some of the most innovative and outstanding facilities in the country.

The Authority took part in the Lancashire business rates pool pilot during 2019/20, which was expected to retain an additional £7m of business rates income within Lancashire, rather than pay over to Central Government, therefore providing opportunities to promote further economic growth as well as building financial resilience. As such, we did not receive Revenue Support Grant (RSG) in 2019/20, but instead received a larger share of business rates income and associated Section 31 grant.

In the first months of 2020 we began to face the unprecedented effects of the Covid-19 pandemic and invoked our Business Continuity Plan to ensure we responded appropriately and proportionately. In terms of the impact on our provision of services, we continue to attend fires and road traffic collisions as before, but have had to temporarily cease some activities, such as Home Fire Safety checks where a member of staff enters the home, and the Fire Cadets programme. We continue to monitor the latest guidance and have prepared detailed plans to bring back on line all ceased activities when it is safe to do so.

Whilst operational crews continued to attend fire stations and provide services, the majority of non-operational staff were, where possible, provided with equipment to enable them to work from home. Where staff could not carry out their ordinary role from home, we utilised them to assist the Lancashire Resilience Forum in various duties benefitting the public of Lancashire, such as assistance with distribution of food parcels and maintaining telephone contact with vulnerable adults.

Although the full financial impact of the pandemic on future funding streams is still uncertain, we have carried out some initial modelling and believe that we are in a strong position to cope with potential reduced income in the next and coming financial years.

The Authority recruited 14 new whole-time firefighters and 69 new on call firefighters, of which 11% were female and 5% were from a BME background.

Our leadership and management training has continued across the organisation, focusing on developing a strong organisational culture based on clear values and leadership.

We have continued to develop collaborative opportunities. We are continuing to review further opportunities for site sharing with both NWAS and Lancashire Constabulary. We continue to support Lancashire Constabulary by use of a shared drone, as well as assisting in missing persons searches.

2019/20 activity has increased by 0.8% to just over 17,200 incidents, and the number of accidental dwelling fires increased by 1 from the previous year. Deliberate dwelling fires remained at 124. A total of 452 gaining entry incidents were undertaken in 2019/20, a decrease of 40% over the previous year.

The 2019/20 Financial Overview

The Authority's spending is planned and controlled by an annual budget process, which leads to the setting of its budget requirement. Expenditure on the day-to-day running costs of the service is determined through the Revenue Budget and is recorded in the Comprehensive Income and Expenditure Statement.

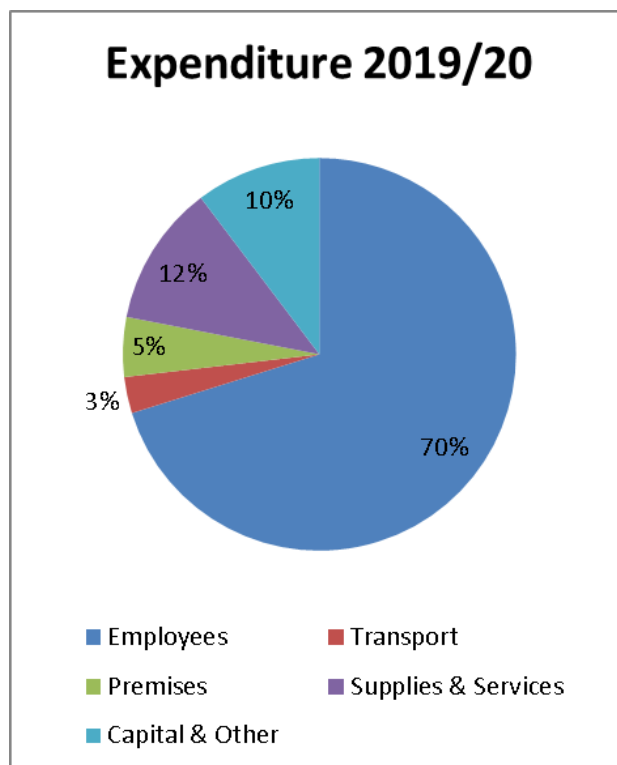
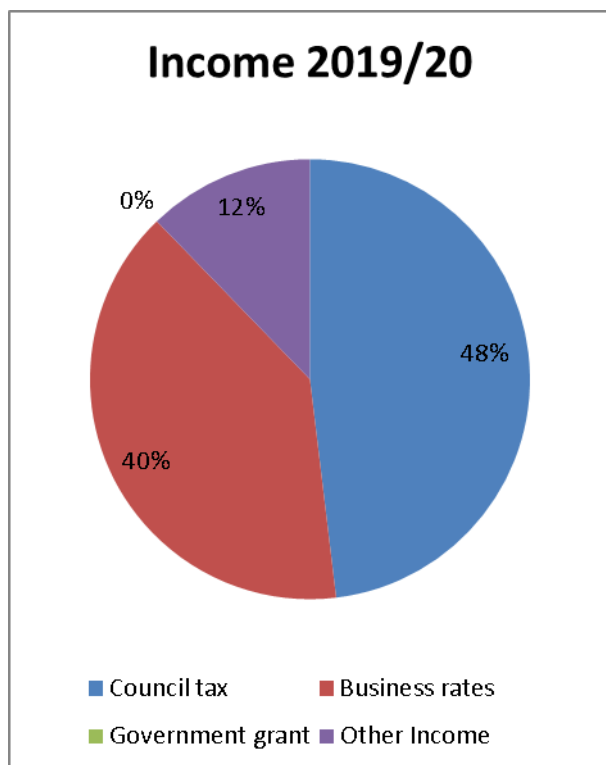
In setting its budget the Authority aims to balance the public's requirement for and expectations of our services with the cost of providing this. As such the revenue budget focuses on the need to:-

- deliver services as outlined in the Risk Management Plan and other plans
- maintain future council tax increases at reasonable levels
- continue to deliver efficiencies in line with targets
- continue to invest in improvements in service delivery and facilities
- set a robust budget that takes account of known and anticipated pressures
- maintain an adequate level of reserves

2019/20 was the final year of the Governments four year funding settlement, and in line with this Government funding, which comprises Revenue Support Grant and a proportion of Non-Domestic Rates Redistribution, fell by £0.5m to £23.8m. The Authority had to identify efficiencies of £1.4m and draw down £0.3m reserves in order to offset financial pressures and deliver an acceptable budget. This resulted in a gross revenue budget of £56.0m, an increase of just over 2%, and a council tax of £69.48, which is just under £1.34 per week. This represented a 2.99% increase in council tax, in line with the referendum limit. Based on this the budget was considered affordable, prudent and sustainable, whilst ensuring that the Authority was able to deliver against its corporate priorities.

The net revenue position shows an overall overspend of £0.2m. reflecting backdating of various pensionable allowances to March 2019.

The following charts show a breakdown of where the monies we received come from and how we spent this:



A summarised comparison of the Fire Authority's expenditure for the year compared with budget is set out below:

Spend/Income type	£000		
	Budget	Spend	(Under)/ over spend
Employees: pay costs	44,122	44,349	227
Other employee related costs	800	774	(26)
Premises	3,123	3,157	35
Transport	1,910	1,924	14
Supplies & services	7,834	7,484	(350)
Capital financing costs & other	5,773	6,624	851
Total Expenditure	63,562	64,312	750
Other Income	(7,511)	(7,849)	(338)
Budget requirement	56,052	56,463	412
Funded by:			
Council tax	(30,753)	(30,812)	(59)
Business rates	(25,298)	(25,402)	(104)
Government grant	(1)	(1)	-
	(56,052)	(56,215)	(163)
Net Overspend	-	248	248

The following reconciliation shows the comparison between the revenue budget position, as set out above, and the Total Comprehensive Income and Expenditure figure reported in the accounts on page 19.

	£m
Revenue Outturn	0.248
Earmarked reserves utilised/provided for in year	0.038
Accounting for pensions under IAS19	20.511

Revenue Contributions to Capital Outlay	(2.000)
Adjustments between accounting basis and funding basis under regulations	2.470
Deficit on the provision of services	21.267
Surplus on revaluation of non-current assets	(4.140)
Actuarial loss on pensions assets and liabilities	(68.205)
Total Comprehensive Income and Expenditure	(51.078)
Recognise 25% share in North West FireControl Limited	(0.118)
Total Comprehensive Income and Expenditure	(51.196)

The Authority (excluding North West FireControl) transferred £0.3m from the general fund balance and as a result of this the general fund balance now stands at £7.9m, still within the target level identified by the Treasurer (a minimum of £3.2m and a maximum of £10.0m). This still provides capacity to cope with anticipated funding cuts in the short term whilst appropriate efficiencies are identified, and the on-going use of reserves remains a key element of the Authority's future financial plans. It is worth noting that the latest medium term financial strategy, identified at the time of setting the 2020/21 budget, shows approx. £2.2m of reserves being used by March 2025, however this position does not allow for any further backdating of pensionable allowances earlier than March 2019. Clearly any such decision would impact the level of the General Fund Balance.

The Authority also holds an additional £7.8m of earmarked revenue reserves and £19.2m of capital reserves and receipts. The Capital reserves and receipts are fully utilised within the medium term financial strategy, reducing to zero by March 2025. It is also worth noting that over half of the earmarked reserve relates to the Authorities two PFI schemes, whereby monies are set aside in the early years of the schemes to meet future costs, thus smoothing out the impact of inflationary pressures.

The Authority has continued to invest in its asset base, with capital expenditure incurred in the year totalling £2.9m, as set out below:-

	Spend
Vehicles	
<ul style="list-style-type: none"> Pumping Appliances – further stage payment for 7 Pumping Appliances from the 2018/19 capital programme 	£0.7m
<ul style="list-style-type: none"> Operational Support Vehicles – purchase of Water Tower plus various support vehicles, such as vans and cars 	£0.9m
Buildings	
<ul style="list-style-type: none"> Training Centre firehouse refurbishment 	£0.3m
<ul style="list-style-type: none"> Training Centre workshop development initial works 	£0.1m
ICT	
<ul style="list-style-type: none"> Replacement of the station end mobilising system 	£0.4m
<ul style="list-style-type: none"> Replacement storage area network 	£0.1m
<ul style="list-style-type: none"> Replacement wide area network 	£0.3m
Total	£2.9m

The Balance Sheet shows that the Authority's Total Net Liabilities have decreased to £696m. This reflects the Authority's compliance with International Accounting Standards and in particular the requirement to show the full pensions liability in the accounts. Whilst the liability on the Local Government Pension Scheme is partly funded the Fire-fighters Pension Scheme is unfunded, i.e. there are no assets from which future liabilities will be paid, and hence the Authority's overall pension liability of £817m is extremely large. If this liability was excluded the Authority's Total Net Assets would be £121m. The pension liability includes estimated costs in relation to the McCloud judgement, further details can be found in note 19.

Long term assets have increased slightly in value to £105m, reflecting the expenditure incurred in year and the net outcome of revaluations.

Future Financial Plans

2019/20 was year is the last of the four year funding settlement. The anticipated 4 year Spending Review actually only covered 2020/21, with a 4 year Review. The Local Government Finance Settlement included a 1.6% increase in the Authority's settlement funding assessment for 2020/21. 2020/21 should have seen the outcome of the Fair Funding review, which looked to re-assess the methodology under which funding was allocated to individual authorities, and the implementation of a 75% Business Rates Retention Scheme, however given current economic uncertainty both of these have been put on hold for at least 12 months. The Authority has plans to deliver £0.8m of efficiencies in 2020/21, but these are more than offset by increased costs associated with pay awards, the full extent of which is not known at the present time, increased pension costs, which are partly met by the Government, and the additional costs associated with the increase in Firefighter numbers following ongoing recruitment campaigns. Overall these changes result in a revenue budget of £57.8m, however in order to deliver a council tax increase within the referendum limit (2%) the Authority will need to either identify further savings or utilise reserves of £0.4m. Therefore the net revenue budget requirement is £57.3m, an increase of 2.5%, resulting in a council tax of £70.86, an increase of 1.99%. Based on this the budget, as presented, is considered affordable, prudent and sustainable, whilst ensuring that the Authority is able to deliver against its corporate priorities.

Given economic uncertainty, particularly surrounding the Covid-19 pandemic, Brexit, the potential impact of the Fair Funding Review and the roll out of greater local retention of Business rates, it is extremely difficult to anticipate what funding will look like beyond the existing settlement, hence for the purpose of medium term financial strategy we had assumed that the funding trajectory in this years' settlement is maintained, ie increases in line with current inflation of 1.5%.

Based on this we will be faced with a funding gap in future years, the extent of which depends on future council tax decisions, and we will continue to utilise reserves and identify savings in order to deliver a balanced budget in the medium term.

Overall the Authority is well placed to meet the financial challenges that it faces in the medium term, and will continue to balance future council tax levels and the need for investment whilst maintaining effective service delivery.

The capital budget continues to invest in our asset base, in particular vehicle replacement, refurbishment/replacement of stations, new IT requirements and new operational equipment. This gives rise to a capital program of £29m over the next five years.

We will continue to invest in training assets, with work on-going to develop plans to enhance training facilities and provide new workshop facilities at the Training Centre. We will review the business cases for replacement of both Preston Fire Station and Service Headquarters.

We will continue to invest in our operational equipment to ensure that our staff have the best equipment available, and the programme includes the replacement of our Breathing Apparatus sets and telemetry, our cutting/extrication equipment, defibrillators and light portable pumps over the next five years.

When the national Emergency Services Mobile Communications Programme (ESMCP) progresses to a stage where we can purchase replacement radio and mobilising equipment we will upgrade our current provision. This project has incurred delays and is outside of our control. It is assumed that any costs to the Authority will be funded by specific capital grant

This can be funded from a combination of revenue contributions, specific capital grant provided by the government, capital reserves and receipts and general reserves. Should the replacements of Preston and Headquarters go ahead, over the five years there is a potential £7m shortfall in funding, however the programme is based on many assumptions which will be refined over time. Over the next three years the capital programme is affordable, sustainable and prudent.

The following significant financial risks have all been assessed and the Treasurer feels that these are adequately covered within the budget estimates or within the level of reserves currently held:-

- Reductions in funding levels over and above those forecast;
- Reduction in funding via Business Rates retention scheme;
- Reduction in council tax funding due to changes in localisation of council tax support, reducing tax base and/or council tax referendum limits;
- Higher than anticipated inflation;
- Larger increases in future pension costs/contributions;
- Increase in costs arising from demand led pressures, i.e. increasing staff numbers, overtime due to spare conditions or major equipment replacement requirements;
- Increased cost of partnership arrangements;
- Inadequacy of insurance arrangements

Financial plans will continue to be reviewed in light of the pandemic with particular reference to Council Tax and Business Rates income funding projections, which are expected to suffer significant shortfalls, although it is worth noting that any deficit can be spread over three year budget period.

Accounting Changes

The accounts have been prepared in accordance with the requirements of the latest Code of Practice on Local Authority Accounting in the United Kingdom – A Statement of Recommended Practice 2019/20 (the Code).

STATEMENT ON ANNUAL GOVERNANCE ARRANGEMENTS BY THE CHAIRMAN OF THE COMBINED FIRE AUTHORITY, THE TREASURER TO THE COMBINED FIRE AUTHORITY AND THE CHIEF FIRE OFFICER

Scope of Responsibility

Lancashire Combined Fire Authority (the Authority) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

The Authority has approved and adopted an updated code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. Included within the Code are the following core principles:-

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
Ensuring openness and comprehensive stakeholder engagement
Defining outcomes in terms of sustainable economic, social, and environmental benefits
Determining the interventions necessary to optimise the achievement of the intended outcomes
Developing the entity's capacity, including the capability of its leadership and the individuals within it
Managing risks and performance through robust internal control and strong public financial management
Implementing good practices in transparency, reporting, and audit to deliver effective accountability

(A copy of the code, setting out the core and supporting principles, what the Authority commits itself to do and how it will do this can be found on our website at <https://www.lancsfirerescue.org.uk/wp-content/uploads/2018/04/Code-of-Corporate-Governance.pdf>)

This statement explains how the Authority has complied with the code and also meets the requirements of regulation 6(2) of the Accounts and Audit Regulations 2015 in relation to the publication of a statement on internal control.

The Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at the Authority for the year ended 31 March 2020 and up to the date of approval of the 2019/20 Statement of Accounts.

The Governance Framework

The Governance framework describes the key elements of the systems and processes that comprise the Authority's governance arrangements in accordance with the seven principles of Corporate Governance included in our Code and include:-

- The Integrated Risk Management Plan (IRMP) describes our aims, priorities, equality objectives and values, setting out our ambitions and how we will deliver them in the medium term. The current plan covering 2017-2022 can be found on our website at <https://www.lancsfirerescue.org.uk/wp-content/uploads/2018/04/Integrated-Risk-Management-Plan.pdf>
- Annual Service Plan details the activities we will undertake to deliver the strategy set out in our IRMP. The current plan has been extended due to the Coronavirus pandemic and now covers 2020/22 was approved this year and can be found on our website at <https://vault.ecloud.co.uk/lancsfire/2020/06/Digital-ASP-20-22.pdf>
- A Communication Strategy and the Consultation Strategy;
- A comprehensive performance management framework, with the Performance Committee and Service Management Team receiving regular reports on performance against targets and any corrective action taken to address any variances. On an annual basis the Authority publishes an Annual Performance Report, setting out its overall performance against key performance indicators;
- A Corporate Programme Board provides oversight across 4 areas:-
 - Business Process Improvement Programme
 - Workforce Development Programme
 - Service Delivery Change Programme
 - Capital Projects Programme.

All major projects and reviews follow similar format and report to Corporate Programme Board

- The Authority operates a Committee Structure aligned to strategic objectives, within agreed Terms of Reference, as follows:-
 - The Audit Committee - To advise on the adequacy and effectiveness of the Authority's Internal and External Audit Service and risk management arrangements, which operates in line with the core functions identified in CIPFAs Audit Committees – Practical Guidance for Local Authorities;
 - The Resources Committee - To consider reports and make decisions relating to financial, human resources and property related issues
 - The Planning Committee - To consider reports and make decisions relating to all aspect of planning arrangements, including consultation and communication arrangements
 - The Performance Committee - To consider reports and make recommendations on all aspects of performance management,
 - The Appeals Committee -To hear relevant appeals, grievances and complaints
- Clear management structure within the Service. The Executive Board, comprising the Chief Fire Officer (head of paid service), and 4 Executive Directors, is responsible for determining policy, monitoring performance and developing service plans in line with the Authority's overall strategic objectives and is assisted in this process by the Service Management Team;
- The Combination Scheme Order, Standing Orders, Terms of Reference of individual Committees, Scheme of Delegation and Financial Regulations establish overall arrangements for policy setting and decision making and the delegation of powers to members and officers;
- Comprehensive suite of strategies and policies in place and regularly reviewed
- Codes of Conduct for members and officers, and member/officer protocol, that set out clear expectations for standards of behaviour;

- Both the Monitoring Officer and Treasurer are involved in the Authority's decision making process, and ensure compliance with established policies, procedures, laws and regulations; All Authority reports are considered for human resource, financial, business risk, environmental and equality and diversity implications in order to identify key issues;
- The Treasurer's role and financial management arrangements align with requirements set out in CIPFAs Statement on the Role of the Chief Financial Officer in Local Government;
- Well publicised arrangements for dealing with complaints and whistle-blowing, and for combating fraud and corruption;
- A Risk Management Strategy and framework which ensures that risks to the Service's objectives are identified and appropriately managed
- Comprehensive Business Continuity arrangements in place, and tested on a regular basis
- A framework to review potential partnership arrangements utilising set criteria prior to entering into such arrangements;
- Compliance with data transparency requirements, including publication of all key documents, committee agenda and minutes, pay policy and publication scheme on the internet.
- Regular assessment of training & development needs of both members and officers, including appropriate appraisal system. Sufficient budget to meet relevant training requirements.
- Comprehensive service review process in place, comprising external views in the form of HMICFRS Inspection review, External Audit reviews, Internal Audit reviews and internal reviews undertaken by our own staff. Ultimately these culminate in the production, and publication, of an Annual Assurance Statement.

Review of effectiveness

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Internal Auditors annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

A statement of assurance has been discussed and approved by the Executive Board as to the effectiveness of the governance arrangements for which it is responsible, including the system of internal control. The statement of assurance covers all the principles set out in the Authority's Code of Corporate Governance. The statement of assurance reveals no areas of weakness in the Authority's corporate governance arrangements; the arrangements are in all cases at least adequate and in the majority of areas good.

In maintaining and reviewing the effectiveness of the Authority's governance arrangements the following have been considered:-

- The Integrated Risk Management Plan covers the five year period 2017-2022.
- We updated our Strategic Assessment of Risk.
- A revised Annual Service Plan has been agreed, covering 2020/22 (this is now a 2 year plan due to the Coronavirus pandemic), providing clarity, both internally and externally, on our priorities set out in the IRMP and describes what our ambitions are for each priority, as well as setting out the projects and

actions that will be delivered, developed or reviewed during the coming year against each of our priorities. This is supported by Local Delivery Plans.

- A framework exists to review potential partnership arrangements utilising the following criteria:
 - Will it make Lancashire Safer?
 - Will undertaking the activity potentially damage our brand?
 - Does it fit with the public image of the FRS?
 - Will it detract from our ability to undertake other operational or preventative functions, if so to what extent?
 - Is there a significant negative financial impact?
 - Is the activity likely to fit comfortably with our stakeholders (Trade Unions, Firefighters, CFS staff, Partners, Home Office, etc.)?
- Statement of Intent: Enhanced Collaboration between LFRS and Constabulary approved at Joint Exec Board. Joint Collaboration group established, reporting through to Members.
- An Operational Assurance Team undertake a programme of service wide station assurance visits to identify areas for improvement and track these through to completion, and publicise any improvements through a regular newsletter, thus enhancing operational preparedness, operational response and operational learning.
- Performance appraisal incorporating values is undertaken throughout the Service
- Internal Audit services were provided by Lancashire County Council, who comply with CIPFA's Code of Internal Audit Practice. The service is designed to give assurance that the Authority maintains adequate systems of internal control and to make recommendations on ways to enhance these where felt necessary.
- We have undertaken an Assurance mapping exercise, with our Internal Auditors, which has confirmed that a strong assurance framework is in place.
- As part of the 2019/20 internal audit plan the auditors undertook various reviews and gave the overall opinion that they can *"provide substantial assurance regarding the adequacy of design and effectiveness in operation of the organisation's frameworks of governance, risk management and control."*
- Grant Thornton provide an external audit service to the Authority, and as such the effectiveness of the system of internal controls is also informed by their work. The latest Annual Audit letter did not identify any significant weaknesses in internal control arrangement and provided the following audit conclusions in relation to 2018/19:
 - Financial statements – *"We gave an unqualified opinion on the Authority's financial statements on 30 July 2019."*
 - Value for money conclusion – *"We were satisfied that the Authority put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources."*
- HMICFRS undertook its first inspection of the Service. Overall the Service was rated as Good, in all categories other than 'Promoting the right values and culture' in which it was rated outstanding. This was the highest overall rating of any Service in the first tranche of inspections, and the only outstanding rating. *"Overall, we commend Lancashire Fire and Rescue Service for its performance. We are confident it is well equipped for this to continue."* and *"It provides an effective service"* and *"It provides an efficient and affordable service by making good use of its resources"*

Last year's Annual Governance Statement identified a number of areas for improvement, and progress against these are set out below:-

Area for Improvement	Action to date	Complete/ On-going	Owner
Continue to develop, and embed, the new assurance monitoring system app to collate information and intelligence from multiple sources, as well as linking to national learning	Work is on-going to build the Assurance Monitoring System that will link into LFRS debrief App and include an action tracker that will track actions from the debriefs and other assurance work (NOL, JOL etc). All communications and evidence will be stored on the system rather than on spreadsheets, folders and individuals email accounts. The action tracker is being built so that it can be used to track actions from meetings	On-going, target date March 21	Head of Digital Transformation
Performance manage the completion of appraisals and introduce new tools to improve the appraisal conversation	A new appraisal process and form was introduced in year for all staff, with appropriate guidance provided. We will develop it further to be delivered online, and provide additional training in relation to the management of performance	On-going, target date March 21	Head of Human Resources
Area for Improvement	Action to date	Complete/ On-going	Owner

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Significant governance issues

On the basis of the review of the sources of assurance set out in this statement, we are satisfied that Lancashire Combined Fire Authority and Lancashire Fire and Rescue Service has in place a satisfactory system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.

Whilst no significant governance issues were identified, the following new areas for improvement, are listed below:

- Develop 360-degree assessments for leaders to inform personal development

We propose over the coming year to take steps to address the above matter to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed:

Lancashire Combined Fire Authority
Statement of Accounts 2019/20

County Councillor F De Molfetta,
Chairman,
Lancashire Combined Fire
Authority
08 July 2020

J Johnston,
Chief Fire Officer,
Lancashire Fire and Rescue
Service
08 July 2020

K Mattinson CPFA,
Treasurer,
Lancashire Combined Fire
Authority
08 July 2020

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANCASHIRE COMBINED FIRE
AUTHORITY**

PAGE LEFT BLANK FOR AUDIT REPORT

PAGE LEFT BLANK FOR AUDIT REPORT

PAGE LEFT BLANK FOR AUDIT REPORT

PAGE LEFT BLANK FOR AUDIT REPORT

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority's Responsibilities

The Authority is required:

- To make arrangements for the proper administration of the financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority that officer is the Treasurer to the Fire Authority.
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- To approve the Statement of Accounts.

The Treasurer's Responsibilities

The Treasurer is responsible for the preparation of the Authority's Statement of Accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ('the Code'), is required to present a true and fair view of the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31 March 2020.

In preparing this Statement of Accounts, the Treasurer has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Code.

The Treasurer has also:

- Kept proper accounting records which were up-to-date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

K Mattinson CPFA
Treasurer to the Combined Fire Authority
23 November 2020

Nikki Hennessy
Chair of Audit Committee
23 November 2020

COMPREHENSIVE INCOME & EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

Notes

		2019/20		2018/19			
		Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
		£000	£000	£000	£000	£000	£000
	Continuing operations:						
1	Service Delivery	36,793	(2,022)	34,771	30,979	(3,306)	27,673
1	Strategy and Planning	9,175	(489)	8,684	8,196	(516)	7,680
1	People and Development	1,633	-	1,633	1,604	-	1,604
1	Corporate Services	5,100	(60)	5,040	4,272	(60)	4,212
1	Fire-fighters Pensions	1,310	(27)	1,283	1,242	-	1,242
1	Overheads	9,676	(4,930)	4,746	39,427	(1,784)	37,643
1	Net Cost of Services	63,687	(7,528)	56,159	85,720	(5,666)	80,055
	Gain on disposal of non current assets			(14)			(68)
	Financing & investment income & expenditure						
8	Interest payable and similar charges			1,461			1,479
15	Pensions interest cost and expected return on pensions assets			21,150			20,276
8	Interest receivable and similar Income			(332)			(358)
	Taxation and non-specific grant income						
	Taxation on NW FireControl			-			1
	Council tax			(30,724)			(29,440)
	Revenue Support Grant			-			(9,262)
	Non-domestic rates redistribution			(23,930)			(15,405)
	Capital grant income			(417)			(563)
	Business rates S31 grant			(1,654)			(946)
	Deficit/(Surplus) on the provision of services			21,699			45,769
	(Surplus)/Deficit on revaluation of non-current assets			(4,140)			(4,539)
18	Actuarial (gains)/losses on pensions assets and liabilities			(68,755)			19,884
	Other comprehensive income & expenditure			(72,895)			15,345
	Total Comprehensive Income and Expenditure			(51,196)			61,114

MOVEMENT IN RESERVES STATEMENT 2019/20

This statement shows the movement in the year on the different reserves held by the Authority, analysed into 'Usable Reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Surplus or (Deficit) on the provision of services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance and the Comprehensive Income and Expenditure Statement for council tax setting purposes. The Net Increase/Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from Earmarked Reserves undertaken by the Authority.

	General fund	Earmarked reserves	Total General Fund Balance	Capital funding reserve	Capital grant unapplied reserve	Capital receipts reserve	Total usable reserves	Unusable reserves	Total Authority reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2019 carried forwards	8,350	8,020	16,370	17,393	605	1,649	36,017	(782,770)	(746,754)
Movement in reserves during 2019/20									
Surplus/(Deficit) on provision of services	(21,699)	-	(21,699)	-	-	-	(21,699)	-	(21,699)
Other comprehensive income and expenditure	-	-	-	-	-	-	-	72,895	72,895
Net comprehensive income and expenditure	(21,699)	-	(21,699)	-	-	-	(21,699)	72,895	51,196
Adjustments between accounting basis and funding basis under regulations									
Charges for depreciation and impairment of non-current assets	4,059	-	4,059	-	-	-	4,059	(4,059)	-
Amortisation of intangible assets	135	-	135	-	-	-	135	(135)	-
Disposal of assets	(14)	-	(14)	-	-	14	-	-	-
Capital grants unapplied	167	-	167	-	(167)	-	-	-	-
Provision for the repayment of debt	(576)	-	(576)	-	-	-	(576)	576	-
Capital expenditure charged against General Fund Balance	(2,000)	-	(2,000)	-	-	-	(2,000)	2,000	-
Amount by which the Code and the statutory pension costs differ	20,661	-	20,661	-	-	-	20,661	(20,661)	-
Amount by which the Code and the statutory collection fund income differ	(93)	-	(93)	-	-	-	(93)	93	-
	22,339	-	22,339	-	(167)	14	22,186	(22,186)	-
Net increase/decrease before transfers to earmarked reserves	641	-	641	-	(167)	14	488	50,709	51,196
Transfers (to)/from earmarked reserves	(684)	684	-	-	-	-	-	-	-
Transfers (to)/from capital funding reserve	(172)	(877)	(1,049)	189	-	-	(860)	860	-
Transfers (to)/from accumulated absences adjustment account	47	-	47	-	-	-	47	(47)	-
Net tfr (to)/from earmarked reserves	(809)	(193)	(1,002)	189	-	-	(813)	813	-
Increase/(Decrease) in the year	(168)	(193)	(361)	189	(167)	14	(325)	51,521	51,196
Balance at 31 March 2020 carried forwards	8,182	7,827	16,008	17,582	438	1,663	35,692	(731,249)	(695,557)

MOVEMENT IN RESERVES STATEMENT 2018/19

	General fund	Earmarked reserves	Total General Fund Balance	Capital funding reserve	Capital grant unapplied reserve	Capital receipts reserve	Total usable reserves	Unusable reserves	Total Authority reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2018 carried forwards	7,899	7,884	15,783	17,745	121	1,582	35,230	(720,870)	(685,640)
Movement in reserves during 2018/19									
Surplus/(Deficit) on provision of services	(45,769)	-	(45,769)	-	-	-	(45,769)	-	(45,769)
Other comprehensive income and expenditure	-	-	-	-	-	-	-	(15,345)	(15,345)
Total comprehensive income and expenditure	(45,769)	-	(45,769)	-	-	-	(45,769)	(15,345)	(61,114)
Adjustments between accounting basis and funding basis under regulations									
Charges for depreciation and impairment of non-current assets	4,268	-	4,268	-	-	-	4,268	(4,268)	-
Amortisation of intangible assets	134	-	134	-	-	-	134	(134)	-
Disposal of assets	(68)	-	(68)	-	-	68	-	-	-
Capital grants unapplied	(484)	-	(484)	-	484	-	-	-	-
Provision for the repayment of debt	(337)	-	(337)	-	-	-	(337)	337	-
Capital expenditure charged against General Fund Balance	(2,030)	-	(2,030)	-	-	-	(2,030)	2,030	-
Amount by which the Code and the statutory pension costs differ	44,741	-	44,741	-	-	-	44,741	(44,741)	-
Amount by which the Code and the statutory collection fund income differ	207	-	207	-	-	-	207	(207)	-
Net increase/decrease before transfers to earmarked reserves	46,433	-	46,433	-	484	68	46,984	(46,984)	-
Transfers (to)/from earmarked reserves	(164)	136	(28)	-	-	-	(28)	28	-
Transfers (to)/from capital funding reserve	-	-	-	(352)	-	-	(352)	352	-
Transfers (to)/from accumulated absences adjustment account	(49)	-	(49)	-	-	-	(49)	49	-
Net tfr (to)/from earmarked reserves	(213)	136	(77)	(352)	-	-	(429)	429	-
Increase/(Decrease) in the year	451	136	587	(352)	484	68	787	(61,900)	(61,114)
Balance at 31 March 2019 carried forwards	8,350	8,020	16,370	17,393	605	1,649	36,017	(782,770)	(746,754)

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories, usable reserves are those that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example capital receipts may only be used to fund capital expenditure). The second category is unusable reserves, and includes reserves that hold unrealised gains and losses (e.g. the revaluation reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

Notes		At 31 March 2020 £000	At 31 March 2019 £000
	Long Term Assets		
6	Property, Plant & Equipment	99,214	96,700
7	Intangible Assets	859	343
8	Long-Term Investments	5,000	5,000
		<u>105,073</u>	<u>102,043</u>
	Current Assets		
	Inventories	237	239
8	Short Term Investments	5,000	15,000
9	Short Term Debtors	8,801	9,737
10	Cash & Cash Equivalents	27,922	14,841
		<u>41,960</u>	<u>39,817</u>
	Current Liabilities		
8	Other Short Term Liabilities	(417)	(384)
11	Short Term Creditors	(8,420)	(6,265)
		<u>(8,837)</u>	<u>(6,649)</u>
	Long Term Liabilities		
12	Provisions	(1,580)	(1,282)
8	Long Term Borrowing	(2,000)	(2,000)
13	Other Long Term Liabilities	(830,173)	(878,683)
		<u>(833,753)</u>	<u>(881,965)</u>
	Net Liabilities	<u>(695,557)</u>	<u>(746,754)</u>
16	Revenue Reserves	(16,008)	(16,370)
16	Capital Funding Reserve	(17,583)	(17,393)
16	Capital Grants Unapplied Account	(438)	(605)
16	Usable Capital Receipts Reserve	(1,663)	(1,649)
16	Usable Reserves:	<u>(35,692)</u>	<u>(36,017)</u>
18	Revaluation Reserve	(46,444)	(43,925)
18	Capital Adjustment Account	(39,325)	(38,461)
13,15&18	Pension Reserve	816,796	864,889
18	Collection Fund Adjustment Account	(589)	(496)
18	Accumulated Absences Adjustment Account	811	764
18	Unusable Reserves:	<u>731,249</u>	<u>782,771</u>
	Total Reserves	<u><u>695,557</u></u>	<u><u>746,754</u></u>

This Statement of Accounts is that upon which the Auditor should enter his certificate and opinion. It presents a true and fair view of the financial position of the Authority at 31 March 2020 and its income and expenditure for the year then ended.

CASH FLOW STATEMENT

The cash flow statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amounts of net cash flows arising from operating activities is an indicator of the extent to which the operations are funded by way of taxation and grant income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery.

Notes	2019/20		2018/19	
	£000	£000	£000	£000
Net (deficit)/surplus on the provision of services		(21,698)		(45,769)
23 Adjustments to net (deficit)/surplus on the provision of services for non-cash movements		28,230		49,731
Adjustments for items included in the net (deficit) on the provision of services that are investing and financing activities		1,255		1,277
Net cash flows from Operating Activities		7,786		5,238
<u>Investing activities</u>				
6&7 Purchase of property plant and equipment & other capital spend	(3,068)		(2,558)	
(Increase)/Decrease in short term deposits	10,000		(15,000)	
24 Receipts from investing activities	184		181	
Net cash flows from investing activities	7,116		(17,377)	
<u>Financing activities</u>				
Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	(384)		(332)	
Repayment of long term borrowing	-		-	
24 Payments for financing activities	(1,439)		(1,457)	
Net cash flows from financing activities	(1,822)		(1,789)	
Net increase/(decrease) in cash and cash equivalents		13,080		(13,928)
10 Cash and cash equivalents at the beginning of the reporting period		14,841		28,769
10 Cash and cash equivalents at the end of the reporting period		27,922		14,841

NOTES TO THE CORE FINANCIAL STATEMENTS

1 Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax payers how the funding available to the Authority (ie Government grants, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by the Authority in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Authority's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2019/20	As reported for resource management £000	Adjustment to arrive at the amount chargeable to the General Fund (note 1a) £000	Net chargeable to the General Fund £000	Adjustments between the Funding and Accounting basis (note 1a) £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
Service Delivery	39,583	-	39,583	(4,812)	34,771
Strategy and Planning	9,070	-	9,070	(385)	8,685
People and Development	1,409	-	1,409	224	1,633
Corporate Services	4,907	-	4,907	132	5,039
Firefighters Pensions	1,283	-	1,283	-	1,283
Overheads	676	38	714	4,032	4,746
Net cost of Services	56,928	38	56,967	(809)	56,157
Other income and expenditure	(56,681)	-	(56,681)	22,222	(34,459)
Surplus on provision of services	248	38	286	21,412	21,698
Opening General Fund balance			(8,350)		
Surplus on provision of services			286		
NWFC recognise 25% surplus on provision of services			(118)		
Closing General Fund balance			<u>(8,182)</u>		

Lancashire Combined Fire Authority
Statement of Accounts 2019/20

2018/19	As reported for resource management £000	Adjustment to arrive at the amount chargeable to the General Fund (note 1a) £000	Net chargeable to the General Fund £000	Adjustments between the Funding and Accounting basis (note 1a) £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
Service Delivery	36,278	109	36,387	(8,715)	27,673
Strategy and Planning	8,342	-	8,342	(662)	7,680
People and Development	1,396	-	1,396	209	1,604
Corporate Services	4,127	-	4,127	85	4,212
Firefighters Pensions	1,242	-	1,242	-	1,242
Overheads	3,401	(7)	3,394	34,249	37,643
Net cost of Services	54,786	102	54,888	25,166	80,055
Other income and expenditure	(55,221)	-	(55,221)	20,936	(34,285)
Surplus on provision of services	(435)	102	(333)	46,102	45,769
Opening General Fund balance			(7,899)		
Surplus on provision of services			(333)		
NWFC recognise 25% surplus on provision of services			(117)		
Closing General Fund balance			<u>(8,350)</u>		

Page 81
1a

Note to the Expenditure and Funding Analysis

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts 2019/20	Transfer to/(from) Earmarked Reserves £000	Total to arrive at amount charged to the General Fund £000	Adjustments for Capital Purposes (1) £000	Net change for Pensions Adjustments (2) £000	Other Differences (3) £000	Total adjustment between funding and accounting basis £000
Service Delivery	-	-	95	(4,596)	(311)	(4,812)
Strategy and Planning	-	-	(37)	(165)	(184)	(385)
People and Development	-	-	-	214	10	224
Corporate Services	-	-	-	232	(100)	132
Firefighters Pensions	-	-	-	-	-	-
Overheads	38	38	1,388	3,825	(1,181)	4,032
Net cost of Services	38	38	1,446	(489)	(1,766)	(809)
Other income and expenditure	-	-	(14)	21,150	1,085	22,222
Total	38	38	1,432	20,661	(681)	21,412

Lancashire Combined Fire Authority
Statement of Accounts 2019/20

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts 2018/19	Transfer to/(from) Earmarked Reserves £000	Total to arrive at amount charged to the General Fund £000	Adjustments for Capital Purposes (1) £000	Net change for Pensions Adjustments (2) £000	Other Differences (note 3) £000	Total adjustment between funding and accounting basis £000
Service Delivery	109	109	112	(8,717)	(110)	(8,715)
Strategy and Planning	-	-	(13)	(692)	43	(662)
People and Development	-	-	-	189	20	209
Corporate Services	-	-	-	85	-	85
Firefighters Pensions	-	-	-	-	-	-
Overheads	(7)	(7)	1,936	33,600	(1,288)	34,249
Net cost of Services	102	102	2,036	24,466	(1,335)	25,166
Other income and expenditure	-	-	(68)	20,276	729	20,936
Total	102	102	1,968	44,741	(606)	46,102

Note 1 – Adjustments for capital purposes – this column adds in depreciation, impairments and revaluation gains and losses. It also adjusts for capital disposals with a transfer of the income on the disposal and the amounts written off. MRP is deducted because it is not chargeable under generally accepted accounting practices. Adjustments are also made to recognise capital grant income.

Note 2 – Pensions Adjustments - This shows which lines have been affected by the removal of pension contributions and replaced with IAS19 debits and credits.

Note 3 – Other Differences - This column adjusts for timing differences on the amounts chargeable for Business Rates and Council Tax under Statute and the Code.

2 Fire Authority Costs

In 2019/20 Fire Authority costs amounted to £0.266m (2018/19: £0.274m), analysed as follows:

	2019/20 £000	2018/19 £000
Members allowances/expenses	135	132
Statutory officers	91	97
Subscriptions	-	11
Others	40	34
	<u>266</u>	<u>274</u>

3 Employees Emoluments

Details of the Authority's employees, out of an estimated 1,015 full-time equivalent, who have received pay and benefits of more than £50,000 are:

	2019/20 No.	2018/19 No.
£75,000 - £89,999	2	2
£70,000 - £74,999	1	2
£65,000 - £69,999	4	4
£60,000 - £64,999	5	7
£55,000 - £59,999	20	13
£50,000 - £54,999	36	32
	<u>68</u>	<u>60</u>

The above table excludes Senior Officers, who are disclosed individually in the tables in the following tables.

Senior Officers Remuneration

During the year, Senior Officers received remuneration packages as detailed below – these employees are also excluded from the table above.

Post holder information (post title and name)	Salary	Allowances (estimated based on 2018/19 figures)	Total Remuneration excluding pension contributions	Pension contributions accrued at the standard employer rate for all senior officers	Total Remuneration including pension contributions
2019/20					
Chief Fire Officer – Chris Kenny (1 April 19 – 30 April 19)	13,400	514	13,914	4,998	18,912
Director of Strategy & Planning (1 April 19 – 30 April 19)	144,153	8,040	152,193	41,516	193,709
Chief Fire Officer (1 May 19 to date) – Justin Johnston					
Director of Service Delivery – David Russel	133,700	5,131	138,831	38,506	177,337
Director of Strategy & Planning – Ben Norman (1 May 19 to date)	102,483	4,216	106,699	29,515	136,214
Director of People & Development – Robert Warren	104,459	-	104,459	15,355	119,814
Director of Corporate Services – Keith Mattinson	104,459	-	104,459	15,355	119,814
	602,654	17,901	620,555	145,245	765,800

Post holder information (post title and name)	Salary	Allowances Restated*	Total Remuneration excluding pension contributions	Pension contributions accrued at the standard employer rate for all senior officers	Total Remuneration including pension contributions
2018/19					
Chief Fire Officer – Chris Kenny	160,016	5,367	165,383	34,723	200,106
Director of Strategy & Planning – Justin Johnston	136,014	4,637	140,651	19,450	160,101
Director of Service Delivery – David Russel	128,012	1,498	129,510	18,306	147,816
Director of People & Development – Robert Warren	102,410	-	102,410	15,054	117,464
Director of Corporate Services – Keith Mattinson	102,410	-	102,410	15,054	117,464
	628,862	11,502	640,364	102,587	742,951

* The 2018/19 allowances have been restated to include the actual amounts reported to HMRC as taxable benefits since the approval of the 2018/19 Statement of Accounts.

Exit Packages

There were no exit packages in 2019/20 or 2018/19.

4 External Auditors Fees

In 2019/20, the Fire Authority paid a total of £0.028m to its external auditors, Grant Thornton (2018/19: £0.028m), as follows:

	2019/20	2018/19 Restated*
	£000	£000
Audit fees – Grant Thornton	28	28

* The 2018/19 fee has been restated to include an additional charge in respect of work carried out on pensions following the McCloud judgement, and P,P&E following a change in national audit requirements.

5 Related Parties Transactions

The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the authority. Consideration must be given to materiality from both the viewpoint of the Authority and the related party.

Central Government

Central government has effective control over the general operations of the Authority – it is responsible for providing the statutory framework within which the Authority operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties (e.g. council tax bills).

Members

Members of the Authority have direct control over the Authority's financial and operating policies. The total of members' allowances paid in 2019/20 is shown in note 2. As required under Section 81 of the Local Government Act 2000, members' outside interests are recorded in a formal register and the Code of Conduct operated by the Authority requires members to declare any related interests they have, and to take no part in meetings or decisions on issues concerning those related interests.

In addition, a survey of the related party interests of members and their immediate family members was carried out in preparing the Statement of Accounts. This survey showed that members have outside interests in bodies that have transactions with the Authority, such as:

- roles as members of Lancashire County Council, the district and unitary authorities;
- roles with voluntary organisations;

In none of these cases is there evidence either of control of one party by the other, or of any related material transaction which would require disclosure in this note.

Officers

In 2019/20 one Senior Officer declared a family relationship with a Senior Officer in one of our major precepting authorities. Although there are significant transactions between the two parties in relation to business rates (£0.629m received from the precepting authority, 2018/19: £0.402m), and council tax

Lancashire Combined Fire Authority
Statement of Accounts 2019/20

(£2.421m received from the precepting authority, 2018/19 £2.317m), the administration of these is strictly defined by a statutory framework.

6 Property, Plant & Equipment

Details on policies can be seen in note 29, Accounting Policies.

Movements during the Year

The table below summarises the movements in Property, Plant and Equipment during the year. Land and buildings, vehicles, plant, furniture and equipment are all disclosed at their net current value. All additions (i.e. new expenditure) are shown at cost.

Movements in Property, Plant and Equipment analysed into their different categories for 2019/20 are:

Movement during the year	Other Land & Buildings £000	PFI Assets – land & buildings £000	Vehicles, Plant & Equipment £000	Total Property, Plant & Equipment £000
Cost or valuation				
At 1 April 2019	57,641	28,889	23,644	110,174
Additions	420	-	2,012	2,432
Disposals	-	-	(1,308)	(1,308)
Impairment losses recognised in the Revaluation Reserve	(1,422)	(405)	-	(1,827)
Impairment losses recognised in the Deficit on the Provision of Services	(143)	-	(5)	(148)
Derecognition – other	-	-	(392)	(392)
Revaluations	2,395	1,156	-	3,551
As at 31 March 2020	58,891	29,640	23,951	112,482
Depreciation and impairments				
At 1 April 2019	-	-	(13,474)	(13,474)
Depreciation charge for 2019/20	(1,743)	(674)	(1,494)	(3,911)
Disposals	-	-	1,308	1,308
Derecognition – other	-	-	392	392
Revaluations	1,743	674	-	2,417
As at 31 March 2020	-	-	(13,268)	(13,268)
Balance sheet at 31 March 2020	58,891	29,640	10,683	99,214
Balance sheet at 31 March 2019	57,641	28,889	10,170	96,700
Nature of asset holding				
Owned	58,621	-	10,529	69,150
Finance lease	270	-	154	424
PFI	-	29,640	-	29,640
	58,891	29,640	10,683	99,214
Carried at historical cost	-	-	10,657	10,657
Valued at current value as at:				
31 March 2020	58,891	29,640	-	88,531
31 March 2010	-	-	26	26
Total cost or valuation	58,891	29,640	10,683	99,214

On 31 March 2020 the Authority undertook a full revaluation review on approximately one fifth of its land and buildings, and in addition carried out a desktop revaluation exercise on the remainder, which resulted in a net revaluation gain of £5.967m (2018/19: net gain of £6.706m).

The comparative figures detailing the movement during 2018/19:

Movement during the year	Other Land & Buildings £000	PFI Assets – land & buildings £000	Vehicles, Plant & Equipment £000	Surplus Assets £000	Total Property, Plant & Equipment £000
Cost or valuation					
At 1 April 2018	50,120	28,620	22,995	4,698	106,433
Additions	770	-	1,865	-	2,635
Disposals	-	-	(784)	-	(784)
Impairment losses recognised in the Revaluation Reserve	(1,480)	(687)	-	-	(2,167)
Impairment losses recognised in the Deficit on the Provision of Services	(33)	-	(432)	-	(465)
Reclassifications	5,567	(869)*	-	(4,698)	-
Revaluations	2,696	1,826	-	-	4,522
As at 31 March 2019	57,641	28,889	23,644	-	110,174
Depreciation and impairments					
At 1 April 2018	-	-	(12,639)	-	(12,639)
Depreciation charge for 2018/19	(1,524)	(660)	(1,619)	-	(3,803)
Disposals	-	-	784	-	784
Revaluations	1,524	660	-	-	2,184
As at 31 March 2019	-	-	(13,474)	-	(13,474)
Balance sheet at 31 March 2019	57,641	28,889	10,170	-	96,700
Balance sheet at 31 March 2018	50,120	28,620	10,356	4,698	93,794
Nature of asset holding					
Owned	57,371	-	9,977	-	67,348
Finance lease	270	-	193	-	463
PFI	-	28,889	-	-	28,889
	57,641	28,889	10,170	-	96,700

Heritage Assets

The Authority holds several heritage assets, in the form of both fire memorabilia such as antique fire extinguishers, and also two vintage fire appliances. Due to the nature of these assets, it is not possible to market test the value of these, therefore they are not included in the Property, Plant and Equipment note.

Capital Expenditure

The total capital expenditure in 2019/20 is shown in the table below, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

	2019/20 £000	2018/19 £000
Opening Capital Financing Requirement	14,374	14,518
Capital investment:		
Property, Plant & Equipment*	2,432	2,635
Intangible assets*	651	5
Sources of Finance:		
Government Grant	-	-
Capital Reserves	(860)	(352)
Earmarked Reserves	-	(28)
Revenue contributions to capital*	(2,223)	(2,068)
MRP	(575)	(337)
Closing Capital Financing Requirement	<u>13,799</u>	<u>14,374</u>
Explanation of movements in year		
(Decrease)/Increase in underlying need to borrow (supported by Government financial assistance)	(575)	(337)
Assets acquired under finance lease	-	193
	<u>(575)</u>	<u>(144)</u>

* Includes NWFC balances

Details of Assets Held

The number of main assets held by the Authority are shown below:

	2019/20	2018/19
Headquarters	1	1
Fire Stations (including Area Headquarters)	39	39
Training School	1	1
Fire houses	1	1

Capital Commitments

Capital projects often take several years to complete, which means that the Authority is committed to capital expenditure in following years arising from contracts entered into at the Balance Sheet date, but on which all or part of the capital work has yet to be undertaken. The estimated capital expenditure committed at 31 March 2020 is £0.318m (2018/19: £2.806m).

7 Intangible Assets

The Authority accounts for its software as intangible assets. All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Authority.

Movement during	2019/20 £000	2018/19 £000
Cost or valuation		
At 1 April	2,092	2,087
Additions	651	5
Derecognised	(365)	-
As at 31 March	2,378	2,092
Amortisation & impairment		
At 1 April	(1,749)	(1,615)
Amortisation charge for the year	(135)	(134)
Derecognised	365	-
As at 31 March	(1,519)	(1,749)
Balance sheet at 31 March 2020	859	343
Balance sheet at 31 March 2019	472	472

8 Financial Instruments

Categories of Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet:

	Long-Term		Current	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
<u>Investments</u>				
Loans and receivables	5,000	5,000	5,000	15,000
<u>Debtors</u>				
Financial assets carried at contract amounts	-	-	171	170
<u>Borrowings</u>				
PWLB Borrowings at amortised cost	2,022	2,021	-	-
<u>Other Long Term Liabilities</u>				
PFI and finance lease liabilities	13,377	13,793	417	384
<u>Creditors</u>				
Financial liabilities carried at amortised cost	-	-	4,255	2,729

Income, Expense, Gains and Losses

	Financial assets: Loans and receivables			
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Financial Liabilities				
Interest payable relating to PFI	1,362	1,380	-	-
Interest payable relating to Borrowing	90	89	-	-
Interest payable relating to finance leases	9	10	-	-
Total expense in Deficit on the Provision of Services	1,461	1,479	-	-
Financial Assets				
Interest income	-	-	(332)	(358)
Total income in Deficit on the Provision of Services	-	-	(332)	(358)
Net gain/(loss) for the year	1,461	1,479	(332)	(358)

Fair Values of Assets and Liabilities

In accordance with IFRS 9, financial liabilities, financial assets represented by loans and receivables and long term creditors, are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- Estimated ranges of interest rates at 31 March 2020 of 4.48% to 4.49% for loans from the PWLB
- This valuation takes into account the penalties that would be payable or discounts receivable on early repayment of loans to the PWLB. These penalties and discounts depend on the rate and period of each individual loan and on the rates for loans with similar periods to maturity prevailing at the balance sheet date.
- Where an instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value
- The fair value of trade and other receivables is taken to be the invoiced amount.
- The fair value of the PFI liabilities has been calculated by discounting the contractual cash flows (excluding service charge elements) at the appropriate AA-rated bond yield rates.

The fair values calculated are as follows:

	31 March 2020		31 March 2019	
	Amortised Cost	Fair Value	Amortised Cost	Fair Value
	£000	£000	£000	£000
Loans from the Public Works Loan Board	2,022	2,725	2,021	2,687
Cash deposits invested and classed as loans and receivables	-	-	-	-
PFI Liabilities	13,575	16,636	13,917	16,954

Lancashire Combined Fire Authority
Statement of Accounts 2019/20

Without the addition of accrued interest, the actual Public Works Loan Board debt outstanding at 31 March 2020 is £2.000 million (2018/19: £2.000m) and it is due for repayment as shown in the following table:

	2019/20	2018/19
	£000	£000
Over 10 years	2,000	2,000
	<u>2,000</u>	<u>2,000</u>

9 Debtors

	2019/20	2018/19
	£000	£000
Trade debtors	962	2,406
VAT	215	176
Local taxation debtors	3,566	3,161
Other debtors	4,058	3,994
	<u>8,801</u>	<u>9,737</u>

10 Cash & Cash Equivalents

The balance of cash & cash equivalents is made up of the following elements:

	2019/20	2018/19
	£000	£000
Cash held by the Authority	54	54
Cash held by North West FireControl (25% share)	462	141
Call account balance	27,406	14,646
	<u>27,922</u>	<u>14,841</u>

The call account balance is placed with Lancashire Country Council. Interest on these balances is paid to the Authority. The investments have an amortised cost at 31 March 2020 equal to their nominal value.

11 Creditors

	2019/20	2018/19
	£000	£000
Goods and services creditors	3,188	2,274
PAYE/NI	854	964
Local taxation creditors	1,942	1,907
Other creditors	1,158	871
Receipts in advance	1,278	249
	<u>8,420</u>	<u>6,265</u>

12 Provisions

The Authority has the power to establish provisions for any liabilities of uncertain timing or amount that have been incurred.

The Authority has established an Insurance Liabilities Provision to meet liabilities, the precise cost of which is uncertain, but which are not reimbursable from insurers as they fall below individual excess clauses and the annual self-insured limits.

The Authority has also established a provision to meet the potential costs associated with Retained Firefighters' claims (under the Part-Time Workers (prevention of less favourable treatment) Regulations 2000) concerning employment terms and eligibility to be part of the Firefighters' Pension Scheme, which is subject to negotiation at a national level. The remainder of claimants are expected to be resolved during the new financial year, and any remaining balance will be reversed.

The Authority has also recognised a provision in relation to its share of the Business Rates Collection Fund outstanding appeals, which is calculated and provided by billing authorities based on their assumptions of outstanding appeal success rates.

The balances set aside, together with the movement on the provisions, is shown below:

	Insurance Liabilities		Part time workers		Business rates appeals		Total	
	2019/20 £000	2018/19 £000	2019/20 £000	2018/19 £000	2019/20 £000	2018/19 £000	2019/20 £000	2018/19 £000
Balance at 1 April	502	434	22	22	758	628	1,282	1,084
Amounts utilised	(64)	(38)	-	-	-	-	(64)	(38)
Unused amounts reversed	(93)	(41)	-	-	-	-	(93)	(41)
Additional provision	178	147	-	-	278	130	456	277
Balance at 31 March	522	502	22	22	1,036	758	1,580	1,282

13 Other Long Term Liabilities

Other long term liabilities comprise the following:

	2019/20 £000	2018/19 £000
Finance Lease Liability	115	154
PFI Liability (see note 14)	13,202	13,575
PFI Contractor Loan (see note 14)	60	65
Pension Liability (see note 15)	816,796	864,889
	<u>830,173</u>	<u>878,683</u>

14 PFI Schemes

The Authority operates two PFI schemes with separate Private Sector Partners (PSP), details of which are as follows:

The Authority signed a contract in May 2002 with a Private Sector Partner (PSP), a consortium known as PFF Lancashire Limited, under the Government's Private Finance Initiative, for two fire stations at Morecambe and Hyndburn.

Under the contract the Authority pays an annual unitary charge to PFF Lancashire Limited for serviced accommodation over the life of the 30-year contract, commencing in 2003/04. The buildings and any plant installed in them at the end of the contract will be transferred to the Authority for nil consideration. The estimated capital value of the scheme at the point of financial close was £3.500m.

Under the contract PFF Lancashire Limited made a contribution of £0.150m towards the development costs, which is repaid through the annual unitary charge on the life of the 30-year contract commencing in 2005/06. In accordance with recommended accounting practice, the reimbursement has been classed as a loan and the liability reflected as such in the Authority's accounts. At 31 March 2020 the total outstanding loan was £0.065m (2018/19: £0.070m).

Balfour Beatty Fire and Rescue NW Limited

The Authority is also involved in a second PFI project, with Merseyside Fire and Rescue Authority and Cumbria County Council to deliver 16 new fire stations, 4 of which will be in Lancashire. Contracts were signed with Balfour Beatty Fire and Rescue NW Limited in February 2011, with phased construction beginning in 2011/12 and completing in 2013/14.

Under the contract the Authority pays an annual unitary charge to Balfour Beatty Fire and Rescue NW Limited for serviced accommodation over the life of the contract, which runs for 25 years from initial handover of each station commencing in March 2011/12 for the Authority. The buildings and any plant installed in them at the end of the contract will be transferred to the Authority for nil consideration. The estimated capital value of the total scheme at the point of financial close was £47.886m, and for the Authority was £12.161m.

All PFI Schemes

All PFI stations are recognised on the Authority's Balance Sheet from the date of initial handover. Movements in their value over the year are detailed in the analysis of the movement on Property, Plant & Equipment balance in note 6.

Payments made under the contracts are performance related, so deductions are made if parts of the building are not available or if service performance (including maintenance) falls below an agreed standard. The Authority makes an agreed payment each year which is increased by inflation and can be reduced if the contractor fails to meet availability and performance standards in any year, but is otherwise fixed. In addition, the Authority receives Government Grant to offset some of these costs.

Payments remaining to be made under both PFI contracts and Government Subsidies to be received at 31 March 2020 are as follows:

	Payment for Services	Reimbursement of Capital Expenditure	Interest	Total	Government Subsidy
	£000	£000	£000	£000	£000
Payable in 1 year	731	373	1,340	2,444	1,734
Payable within 2-5 years	3,132	1,862	5,073	10,067	6,935
Payable within 6-10 years	4,427	3,575	5,214	13,216	8,668
Payable within 11-15 years	4,273	4,538	3,322	12,133	7,683
Payable within 16-20 years	2,384	3,226	964	6,574	4,119
Total	14,947	13,575	15,914	44,435	29,139

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable over the life of the contract. The liability outstanding to pay the contractor for capital expenditure incurred is as follows:

	2019/20 £000	2018/19 £000
Balance outstanding at the start of the year	13,917	14,231
Payments during the year	(342)	(314)
Balance outstanding at year end	13,575	13,917

15 Net Liability Related to Local Government and Firefighters' Pensions Schemes Pensions

During the year the Authority made contributions to the cost of pensions for all employees (except for those who chose not to be members of the scheme) as required by statute.

The Authority participates in two pension schemes:

- i) Uniformed Firefighters are covered by an unfunded, defined benefit scheme, meaning that there are no investment assets built up to meet the pensions liabilities and that cash has to be generated by the Authority to meet actual pensions payments as they fall due.
- ii) Other staff pensions are provided from the Lancashire County Pension Fund. This is a funded scheme, meaning that the Authority and employees pay contributions into a fund calculated at a level intended to balance the pensions liabilities with the investment assets.

Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income & Expenditure Statement and the General Fund Balance Fund via the Movement in Reserves Statement during the year:

	Local Government Pension Scheme		Uniformed Firefighters' Pension Scheme	
	2019/20 £000	2018/19 £000	2019/20 £000	2018/19 £000
Comprehensive Income & Expenditure Statement				
Cost of Services:				
• Current service cost	2,067	1,801	17,130	10,660
• Administrative expenses	33	26	-	-
• Past service cost	242	434	3,250	32,970
	<u>2,342</u>	<u>2,261</u>	<u>20,380</u>	<u>43,630</u>
Financing and Investment Income and Expenditure:				
• Interest cost	1,659	1,625	20,970	20,100
• Interest on scheme assets	(1,479)	(1,449)	-	-
	<u>180</u>	<u>176</u>	<u>20,970</u>	<u>20,100</u>
Total post employment benefit charged to the deficit on provision of services	2,522	2,437	41,350	63,730
Other post employment benefit charged to the Comprehensive Income and Expenditure Statement				
• Actuarial (gains) and losses	(2,424)	(1,156)	(66,330)	21,040
Total post employment benefit charged to the Comprehensive Income and Expenditure Statement	98	1,281	(24,980)	84,770
Movement in reserves statement				
• Reversal of net charges made to the deficit on provision of services in accordance with the code	483	(726)	47,610	(63,900)
Actual amount charged against the General Fund Balance for pensions in the year:				
Employers' contributions payable to the scheme	(581)	(555)	-	-
Net retirement benefits payable to pensioners	-	-	(22,630)	(20,870)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The change in the net pensions liability is analysed into seven components:

Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.

Past service cost/(gain) – the increase/(decrease) in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited/(credited) to the deficit on the provision of services in the Comprehensive Income and Expenditure Statement.

Interest on liabilities – the expected increase in the present value of liabilities during the year as they move one year closer to being paid.

Interest on assets – the average rate of return expected on the investment assets held by the pension scheme.

Actuarial (gains) and losses – changes in the net pension liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – (credited)/debited to the pensions reserve.

Employers' contributions – the payments made into the pension scheme by the Authority during the year in respect of current employees.

Retirement benefits payable to pensioners – the net payments made in respect of the Firefighter pension scheme. Note, the fund also received a top up grant of £14.657m (2018/19: £16.511m) in addition to these, which can be seen in the Firefighters Pension Fund Account on page 63.

A full set of audited accounts for the Lancashire County Pension Fund, together with information relating to membership, actuarial and investment policy and investment performance, are published in the 'Lancashire County Pension Fund Annual Report', available from the administering authority, Lancashire County Council, on request.

Assets and Liabilities in Relation to Post-employment Benefits

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

	Funded Liabilities: Local Government Pension Scheme		Unfunded Liabilities: Uniformed Firefighters' Pension Scheme	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Opening balance at 1 April	(69,436)	(62,839)	(857,236)	(793,336)
Current service cost	(2,068)	(1,801)	(16,840)	(10,500)
Interest on liabilities	(1,659)	(1,625)	(20,970)	(20,100)
Contributions by scheme participants	(392)	(371)	(3,310)	(3,240)
Remeasurements (liabilities):				
Experience (gain)/loss	(856)	-	4,550	900
Gain/(Loss) on financial assumptions	1,454	(3,808)	35,680	(21,940)
Gain/(Loss) on demographic assumptions	2,567	-	26,100	-
Benefits/transfers paid	1,529	1,441	25,650	23,950
Past service cost	(242)	(434)	(3,250)	(32,970)
Closing balance at 31 March	(69,102)	(69,436)	(809,626)	(857,236)

Reconciliation of the fair value of the scheme assets:

	Funded Liabilities: Local Government Pension Scheme		Unfunded Liabilities: Uniformed Firefighters' Pension Scheme	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Opening balance at 1 April	61,783	55,910	-	-
Interest on scheme assets	1,479	1,449	-	-
Remeasurements (assets)	(741)	4,964	-	-
Administrative expenses	(33)	(26)	-	-
Employer contributions	581	556	22,340	20,710
Contributions by scheme participants	392	371	3,310	3,240
Benefits paid	(1,529)	(1,441)	(25,650)	(23,950)
Closing balance at 31 March	61,932	61,783	-	-

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields at the Balance Sheet date. Expected returns on equity investments reflect long term rates of return experienced in the respective markets.

The actual return on scheme assets in the year was a gain of £0.507m (2018/19: gain of £6.239m). The cumulative amount of actuarial gains and losses recognised in the Comprehensive Income and Expenditure Statement to 31 March 2020 is a gain of £0.219m (2018/19: cumulative gain of £0.287m).

Scheme history

	2019/20	2018/19	2017/18	2016/17	2015/16
	£000	£000	£000	£000	£000
Present value of liabilities:					
Local Government Pension Scheme (LGPS)	(69,102)	(69,436)	(62,839)	(62,912)	(49,267)
Firefighters Pension Scheme	(809,626)	(857,236)	(793,336)	(788,856)	(666,356)
Fair value of assets in LGPS	61,932	61,783	55,910	54,025	44,027
Surplus/(Deficit) in the scheme:					
Local Government Pension Scheme (LGPS)	(7,170)	(7,653)	(6,929)	(8,887)	(5,240)
Firefighters Pension Scheme	(809,626)	(857,236)	(793,336)	(788,856)	(666,356)
Total	(816,796)	(864,889)	(800,265)	(797,743)	(671,596)

The liabilities show the underlying commitments that the Authority has in the long-term to pay post-employment benefits. The total liability of both schemes, £816.796m, has a substantial impact on the net worth of the Authority, as recorded in the Balance Sheet, resulting in a negative overall balance of £695.557m (2018/19: £746.754m). However, statutory arrangements for funding the liability mean that the financial position of the Authority remains healthy:

- Any surplus/deficit on the Local Government Pensions scheme will be recovered by annual repayments from/to the fund, as assessed by the scheme actuary, throughout the agreed surplus recovery period. Although the year end deficit above shows a £7m deficit, the latest actuarial

valuation was actually a surplus of £9.7m as at 31 March 2019, which is being recovered by annual receipts of £0.8m from the pension fund.

- Finance is only required to be raised to cover fire fighter pensions when the pensions are actually paid.

Estimated contributions expected to be paid by the Authority into each scheme during the next financial year:

	Local Government Pension Scheme*	Firefighters' Pension Scheme**	Total
	£000	£000	£000
Estimated contributions	1,420	7,069	8,489

*LGPS contributions shown are gross of the surplus recovery referred above.

** Firefighters contributions are partly funded by £3.1m government grant

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc.

The Firefighters' Scheme has been assessed by GAD (the Government Actuarial Department), an independent firm of actuaries. Estimates for the Firefighters pension scheme are based on a 'roll forward approach' which updates the last full valuation on 31 March 2016, taking account of any significant changes since this. The figures include an estimate of the potential increase in liabilities as a result of the recent legal action surrounding the transitional protection arrangements – see note 19 Contingent Liabilities for more details.

The Local Government Fund liabilities have been assessed by Mercer Resource Consulting Limited, an independent firm of actuaries. Estimates for the LGPS are based on a 'roll forward approach' which updates the last full valuation as at 31 March 2019, taking account of any significant changes since this. The LGPS figures also include a past service cost in relation to a potential increase in liabilities as a result of the recent legal action surrounding the transitional protection arrangements – see note 19 Contingent Liabilities for more details.

The principal assumptions used by the actuary have been:

	NWFC Local Government Pension Scheme		LCFA Local Government Pension Scheme		Uniformed Firefighters' Pension Scheme	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Mortality assumptions:						
Longevity at 65 for current pensioners:						
Men	21.2	22.3	22.3	22.8	21.3	22.0
Women	23.6	24.5	25.0	25.5	21.3	22.0
Longevity at 65 for future pensioners:						
Men	21.9	23.9	23.8	25.1	23.0	23.9
Women	25.0	26.5	26.8	28.2	23.0	23.9
Rate of CPI inflation	1.80%	2.40%	2.10%	2.20%	2.00%	2.35%
Rate of increase in salaries	2.50%	2.70%	3.60%	3.70%	4.00%	4.35%
Rate of increase in pensions	1.80%	2.40%	2.20%	2.30%	2.00%	2.35%
Rate for discounting scheme liabilities	2.30%	2.50%	2.40%	2.40%	2.25%	2.45%
Take up of option to convert annual pension into retirement lump sum	50%	50%	50%	50%	50%	50%

The Firefighters' Pension Scheme has no assets to cover its liabilities. The Local Government Pension Fund's assets consist of the following categories, by proportion of the total assets held by the Fund:

	Quoted in active market	Assets at 31 March 2020		Assets at 31 March 2019	
		Fair Value £000	%	Fair Value £000	%
Equities	Y	997	1.6	1,094	1.8
Bonds	Y	2,688	4.3	3,876	6.3
Property	N	1,040	1.7	5,726	9.3
Cash/Liquidity	N	863	1.4	395	0.6
Other	N	56,344	91.0	50,692	82.0
			100.0	61,783	100.0

History of experience gains and losses

The actuarial gains and losses identified as movements on the Pension Reserve in 2019/20 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2020:

Local Government Pensions Scheme (LGPS) inc NWFC:	2019/20	2018/19	2017/18	2016/17	2015/16
	%	%	%	%	%
Experience Gains and losses on assets	1.2	8.0	1.0	12.3	1.3
Gains and losses on liabilities	(4.6)	(5.5)	4.2	16.6	(6.2)
Firefighters Pension Scheme:	2019/20	2018/19	2017/18	2016/17	2015/16
	%	%	%	%	%
Experience Gains and losses on assets	-	-	-	-	-
Gains and losses on liabilities	(8.2)	2.5	(0.9)	14.4	(4.8)
Total of LGPS and Fire Pension Schemes:	2019/20	2018/19	2017/18	2016/17	2015/16
	%	%	%	%	%
Experience Gains and losses on assets	1.2	8.0	1.0	12.3	1.3
Gains and losses on liabilities	(7.9)	1.9	(0.6)	14.6	(4.9)

16 Usable Reserves

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statements, on pages 20 and 21.

	2019/20		2018/19	
	£000	£000	£000	£000
Revenue Reserves:				
General Fund		(8,181)		(8,350)
Earmarked Reserves	(3,344)		(3,607)	
PFI Equalisation Reserve	<u>(4,483)</u>		<u>(4,413)</u>	
Total Earmarked Reserves		(7,827)		(8,020)
Total Revenue Reserves		<u>(16,008)</u>		<u>(16,370)</u>
Capital Reserves:				
Capital Funding Reserve		(17,583)		(17,393)
Capital Grants Unapplied		(438)		(605)
Usable Capital Receipts		(1,663)		(1,649)
Total Usable Reserves		<u>(35,692)</u>		<u>(36,017)</u>

17 Transfers (to)/from Earmarked Reserves

	Balance at 31.3.18	Transfers in 2018/19	Transfers out 2018/19	Balance at 31.3.19	Transfers in 2019/20	Transfers out 2019/20	Balance at 31.3.20
General fund	(7,899)	(451)	-	(8,350)	(118)	286	(8,181)
Earmarked Reserves	(3,556)	(240)	189	(3,607)	(727)	990	(3,344)
PFI Equalisation Reserves	<u>(4,327)</u>	<u>(125)</u>	<u>40</u>	<u>(4,413)</u>	<u>(139)</u>	<u>70</u>	<u>(4,483)</u>
Total Earmarked Reserves	(7,884)	(365)	229	(8,020)	(866)	1,060	(7,827)
Capital funding reserve	(17,745)	-	352	(17,393)	(1,049)	860	(17,583)
Capital grants unapplied	(121)	(563)	79	(605)	(417)	584	(438)
Usable capital receipts	<u>(1,582)</u>	<u>(68)</u>	<u>-</u>	<u>(1,649)</u>	<u>(14)</u>	<u>-</u>	<u>(1,663)</u>
Total Usable Reserves	<u>(35,230)</u>	<u>(1,447)</u>	<u>660</u>	<u>(36,017)</u>	<u>(2,465)</u>	<u>2,790</u>	<u>(35,692)</u>

18 Unusable Reserves

The total Unusable Reserves are shown in the Movement in Reserves Statement, and details of each reserve and the movements are shown in the following tables:

	2019/20 £000	2018/19 £000
Revaluation Reserve	(46,444)	(43,925)
Capital Adjustment Account	(39,325)	(38,461)
Pensions Reserve	816,796	864,889
Collection Fund Adjustment Account	(589)	(496)
Accumulated Absences Adjustment Account	811	764
Total Unusable Reserves	731,249	782,771

Revaluation Reserve

	2019/20 £000	2018/19 £000
Balance at 1 April	(43,925)	(40,862)
Upward revaluation of assets	(5,967)	(6,706)
Downward revaluation of assets and impairment losses not charged to Net cost of Services	1,827	2,167
Difference between fair value depreciation and historical cost depreciation	1,595	1,476
Amount written off to the Capital Adjustment Account	26	-
	(46,444)	(43,925)

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition under statutory provisions. The account is debited with the cost of acquisition as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement. The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition.

Lancashire Combined Fire Authority
Statement of Accounts 2019/20

In addition, the account contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date the Revaluation Reserve was created to hold such gains.

	2019/20		2018/19	
	£000	£000	£000	£000
Balance at 1 April		(38,461)		(38,641)
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:				
• Charges for depreciation and impairment of non-current assets	2,315		2,328	
• Revaluation losses on Property, Plant & Equipment	148		465	
• Amortisation of intangible assets	135		134	
		2,598		2,927
Disposal of assets via the Comprehensive Income & Expenditure Statement		-		-
Adjusting amounts written out of the Revaluation Reserve		(26)		-
Net amount written out of the cost of non-current assets consumed in the year		2,572		2,927
Capital financing applied in the year:				
• Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing		-		-
• Statutory provision for financing of capital investment charged against General Fund	(386)		(335)	
• Voluntary provision for financing of capital investment charged against General Fund	(189)		(2)	
• Use of capital reserves to fund expenditure	(860)		(352)	
• Use of earmarked reserves to fund expenditure		-		(28)
• Capital expenditure charged to General Fund Balance	(2,000)		(2,030)	
		(3,435)		(2,747)
Balance as at 31 March		<u>(39,325)</u>		<u>(38,461)</u>

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The reserve relates to both the LGPS and Firefighters pension schemes, and the large negative value of the reserve reflects the unfunded nature of the Firefighters pension scheme.

	2019/20	2018/19
	£000	£000
Balance at 1 April	864,889	800,264
Actuarial (gains) or losses on pensions assets and liabilities	(68,755)	19,884
Reversal of items relating to retirement benefits debited or credited to Net Cost of Services in the Comprehensive Income & Expenditure Statement	43,872	66,166
Net payments to pensioners payable in the year	(22,630)	(20,870)
Employers pension contributions	(581)	(555)
	<u>816,796</u>	<u>864,889</u>

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and business rates income in the Comprehensive Income and Expenditure Statement as it falls due from council tax and business rates payers compared with the statutory arrangements for paying across amounts to the General Fund.

	Council Tax		Business Rates		Total	
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000	£000	£000
Balance at 1 April	(474)	(601)	(23)	(103)	(496)	(704)
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	88	127	-	-	88	127
Amount by which business rates income credited to the Comprehensive Income and Expenditure Statement is different from business rates income calculated for the year in accordance with statutory requirements	-	-	(181)	80	(181)	80
Balance at 31 March	<u>(386)</u>	<u>(474)</u>	<u>(203)</u>	<u>(23)</u>	<u>(589)</u>	<u>(496)</u>

Accumulated Absences Adjustment Account

The Accumulated Absences Adjustment Account manages the differences arising from the recognition of accrued employee costs in the Comprehensive Income and Expenditure Statement compared with the statutory arrangements for paying across amounts to the General Fund.

	2019/20	2018/19
	£000	£000
Balance at 1 April	764	813
Amount by which remuneration charged on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	47	(49)
Balance at 31 March	<u>811</u>	<u>764</u>

19 Contingent Liability

Municipal Mutual Insurance Limited

Municipal Mutual Insurance Limited (MMI) provided insurance to Lancashire County Council until the company ceased to underwrite in 1992. A scheme of arrangement was entered into by MMI with its creditors under the terms of which claims relating to the period of insurance continue to be paid out but, if a trigger point is reached where MMI has insufficient assets to pay remaining claims, a clawback of a proportion of claims paid since 30 September 1993 could occur to cover the outstanding claims. During the period in question, fire and rescue services were provided as part of Lancashire County Council, prior to the creation of Lancashire Combined Fire Authority as an independent body from 1 April 1998.

The position of the company has been reviewed on an ongoing basis to ascertain the likelihood of the trigger point being reached. Up until the Annual Reports & Accounts of the Company for the year ended 30 June 2011, the Directors of MMI were hopeful of achieving a solvent run-off of the Company with all claims costs (past or future) being met in full by MMI providing they received a successful Supreme Court judgement in early 2012. However, following the loss of the appeal in the Supreme Court, a solvent run-off became no longer likely, and the scheme of arrangement was triggered by the Directors on 13 November 2012.

However, remains unclear whether Lancashire Combined Fire Authority accepted liability for any future costs associated with insurance claims on disaggregation, and hence would potentially be liable for a share of the clawback, nor is it possible to estimate the amount of this contingent liability, therefore nothing has been included in the accounts.

Norman v Cheshire Fire & Rescue Service

Following on from the "Norman vs Cheshire" case a review of allowances paid to staff working certain duty systems was carried out to determine if they should be pensionable. Although the Service has not concluded an agreement with the trade union, following a subsequent court decision (Smith v Mid and West Wales Fire Authority) clarifying some of the detail, we have determined that certain allowances are pensionable and are implementing these arrangements with effect from 1/6/20. We have included an estimate of £0.6m for costs (backdated to March 2019) in the 2019/20 accounts in respect of this, however the Authority is attempting to resolve this issue via the collective bargaining arrangements, but this has not yet been concluded. The extent of any backdating is still under discussion with representative bodies and awaiting national and pension scheme guidance. Until such agreement is reached, and the final costs are known, we will not include in the Fire-fighters pension scheme liabilities.

Firefighters Pension Scheme Transitional protection arrangements (McCloud / Sargeant)

Claims have been made in relation in respect of alleged unlawful discrimination arising from the Transitional Provisions in the Firefighters Pension Regulations 2015 and in December 2018 the Court of Appeal (McCloud / Sargeant) ruled that the 'transitional protection' offered to some members as part of the reform to public sector pensions amounts to unlawful discrimination. On 27 June 2019 the

Supreme Court refused leave to appeal on the McCloud case. In light of this it is envisaged that the Court will require changes to arrangements for employees who were transferred to the new schemes. This would lead to an increase in Firefighters Pension Scheme liabilities and our actuaries (The Government Actuarial Department (GAD)) using specific assumptions and applying these across the Firefighters schemes reflected this in the IAS19 disclosure (note 15) as a Past Service Cost in 2018/19. The actuaries have highlighted that this estimate is based on one potential remedy and that the figures are highly sensitive to assumptions around short term earnings growth.

The impact of an increase in scheme liabilities arising from McCloud / Sargeant judgment, once fully known, will be measured through the pension valuation process, which determines employer and employee contribution rates. The next Firefighters Pension valuation is due to take place in 2020 with implementation of the results planned for 2023/24 and authorities will need to plan for the impact of this on employer contribution rates alongside other changes identified through the valuation process.

The impact of an increase in annual pension payments arising from McCloud / Sargeant is determined through The Firefighters Pension Scheme (England) Order 2006. These require a fire authority to maintain a pension fund into which employee and employer contributions are paid and out of which pension payments to retirees are made. If the pension fund does not have enough funds to meet the cost of pensions in year the amount required to meet the deficit is then paid by the Secretary of State to the fire authority in the form of a central government top-up grant.

Local Government Pension Scheme (LGPS) (McCloud / Sargeant)

With regard to the LGPS a similar adjustment to past service costs within the IAS19 disclosure (note 15) was made in 2018/19 for the McCloud judgement. The impact of an increase in scheme liabilities arising from the McCloud/Sargeant judgement, once fully known, will be measured through the pension valuation process, which determines employer and employee contribution rates.

Local Government Pension Scheme (LGPS) - The Brewster Judgement

The Supreme Court ruled that a particular regulation requiring a signed nomination form from a member of the Northern Ireland Local Government Pension Scheme, in order to entitle an unmarried partner to survivor benefits in the scheme was unlawful (the Brewster judgement). The Government will consider what, if any, implications this ruling may have for other public service pension schemes. No allowance has been made for any potential cost implications in the scheme that may arise from the judgement.

20 Post Balance Sheet Events

As at the date the Treasurer signed the accounts, 14 July 2020, there were no post balance sheet events to report.

21 Nature and Extent of Risks Arising from Financial Instruments

The Authority's activities expose it to a variety of financial risks:

- Credit risk – the possibility that other parties might fail to pay amounts due to the Authority
- Liquidity risk – the possibility that the Authority might not have funds available to meet its commitments to make payments
- Market risk – the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates and stock market movements.

Risk management is carried out by Lancashire County Council's Treasury Management Team, under policies approved by the Authority in the annual Treasury Management Strategy. The strategy provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Authority's customers.

This risk is minimised through the Annual Investment Strategy, which states that any investment counterparty must have a minimum actual or implied credit rating of AA- in order to be eligible. The Authority will also have regard to recent banking reform legislation which provides for creditor 'bail-in' rather than state 'bail-out' of banks should the bank fail. The effect of this legislation is that a local authority is likely to lose a higher proportion of any assets caught up in a credit event than almost any other type of institution. Credit risk control therefore means that unsecured bank deposits are, unless for very short duration, not suitable as an investment instrument in the future.

In the context of credit risk, trade debtors are treated as financial instruments.

Trade debtor credit risk

The Authority does not generally allow credit for customers, such that £0.006m of the £0.176m balance is past due date for payment. On a prudent basis the Authority has created a provision for bad debts to cover any potential loss arising from this, which currently stands at £0.005m and which is considered sufficient for this purpose.

The past due amount can be analysed by age as follows:

	2019/20 £000	2018/19 £000
0 to 30 days	170	165
31 to 60 days	-	10
61 to 90 days	5	1
91 to 180 days	1	1
	<u>176</u>	<u>177</u>

Liquidity Risk

The Authority has a comprehensive cash flow management system (administered by Lancashire County Council's Treasury Management Team) that seeks to ensure that cash is available as needed. If unexpected movements happen, the Authority has ready access to borrowings from Lancashire County Council at current market rates. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. During 2017/18 £3.2m of debt was repaid, leaving a balance of £2m.

The maturity profile of our remaining debt is shown in the table below.

Value of PWLB loans maturing in future years	
As at 31 March 2020	
Year	Loan value £000
2036	650
2037	650
2038	700
Total	2,000

Market risk

The Authority is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Authority. For instance, a rise in interest rate movements would have the following effects:

- Borrowings at fixed rates – the fair value of the liabilities borrowings will fall
- Investments at variable rates – the interest income credited to the deficit on the provision of services will rise

We hold fixed rate financial liabilities (borrowings) and variable rate financial assets (investments).

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate loans would not impact on the Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. Instead, the effect of changes in market interest rates is to change the fair value of the liabilities reported in the notes to the balance sheet. Fair values represent the amount due if debt is repaid before its maturity date. When the loans finally mature, they will be repayable at their nominal values.

Our financial assets are the cash deposits placed in a call account with Lancashire County Council. Interest received on them is linked to the base rate. Each working day the balance on the Authority's Call Account is invested to ensure that the interest received on surplus balances is maximised. The average balance within this account throughout the year was £25.8 million and, with no change in that level of balances, a 1% increase in the market rate of interest, if sustained over the whole year would give rise to additional interest earned of £258,000 and a 1% fall would give a reduction of the same amount.

22 Local Authority Controlled Company – NW FireControl Limited

NW FireControl Limited is a company limited by guarantee with the responsibility for Fire and Rescue Service mobilisation for the North West region. The Company has four members which are Cheshire, Cumbria, Greater Manchester and Lancashire Fire & Rescue Authorities (FRAs). The liability of each member in the event of the company being wound up is limited and shall not exceed £1. Each member of the company has the right to appoint 2 directors, who are Councillors appointed to their respective FRAs. All directors have equal voting rights.

During May 2014 all four services transferred their Control Room functions into the regionalised service provided by NW FireControl Limited. The cost of the service is charged out to the four FRAs on an agreed pro rata basis agreed by a Service Level Agreement. The implementation phase continued to be funded by a section 31 grant from the Department for Communities and Local Government plus an ongoing grant to fund 66% of the lease costs for the building. The grant is paid to Greater Manchester Fire & Rescue Authority as lead authority for the North West region and released to the company as required. From 8th May 2017 Greater Manchester Fire and Rescue Service transferred into the Greater Manchester Combined Authority and the ownership of NW FireControl Limited therefore also transfers.

An assessment for Group Accounting requirements has taken place during 2019/20 in respect of NW FireControl Limited. This is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom Based on International Financial Reporting Standards (IFRS 10, 11 & 12).

It has been determined that the company is governed by Joint Control due to the fact that unanimous consent exists for key decisions and that each Authority has equal voting rights. This joint arrangement has been deemed to be a Joint Operation as the parties have rights to the assets, and obligations for the liabilities relating to the arrangement, and on this basis, the Authority's 25% share of the transactions and balances of NW FireControl Limited have been recognised within the accounts.

Below shows the key Information from the Draft Financial Statements of NW FireControl Limited:

Key Information	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000
Total assets less Current Liabilities	311	304
Net assets*	(2,349)	(3,953)
(Loss) Before Taxation	(594)	(411)
(Loss) After Taxation	(594)	(417)
Debtor Balance (LFRS)	-	-
Creditor Balance (LFRS)	-	-
Invoices raised by NW FireControl to LFRS	1,191	1,175
Invoices raised by LFRS to NW FireControl	-	-

*Net assets includes the future pension liabilities under FRS17 reported by the Cheshire Pension Fund actuaries.

All figures are shown net of VAT.

Transactions between LFRS and NW FireControl Limited include Invoices Raised by NW FireControl to LFRS for the Control Room service and use of facilities in the building.

The Company's Financial Statements can be obtained from Companies House with the deadline for submission as 31/12/2020 for the final audited 2019/20 accounts.

23 Adjust net surplus/(deficit) on the provision of services for non cash movements

	2019/20 £000	2018/19 £000
Depreciation	3,911	3,803
Impairment & downwards valuations	148	465
Amortisation	135	134
Increase/(decrease) in provisions	298	198
Increase/(decrease) in creditors	2,410	(622)
(Increase)/decrease in debtors	936	1,023
(Increase)/decrease in stock	1	(10)
Movement in pension liability	20,661	44,741
	<u>28,230</u>	<u>49,732</u>

24 Adjust for items included in the net surplus/(deficit) on the provision of services that are investing and financing activities

	2019/20 £000	2018/19 £000
Interest received	184	181
Interest paid	(1,439)	(1,457)

Interest paid includes interest payments in respect of both finance leases and PFI schemes (see accounting policy note 29, section j)

25 Reconciliation of liabilities arising from financing activities -

	Long Term borrowings £000	Short Term borrowings £000	Lease liabilities £000	Total £000
1 April 2019	15,575	342	190	16,107
Cash flows:				
Repayment	(373)	31	(37)	(379)
Proceeds	-	-	-	-
Non-cash:				
Acquisition	-	-	-	-
31 March 2020	15,202	373	153	15,728

26 Assumptions made about the future and other major sources of estimation and uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Authority's Balance Sheet at 31 March 2020 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Property, Plant & Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to the individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for buildings would increase by £0.1m for every year that useful lives had to be reduced.
Property, Plant & Equipment	The outbreak of the Novel Coronavirus (COVID-19) has impacted global financial markets. As at the valuation date, RICS consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. The emphasis is on the current degree of uncertainty, rather than adjusting those valuations.	The majority of the Authorities Property assets are valued under the Depreciated Replacement Cost (DRC) method, as specialised assets. There is the possibility that DRC valuations will increase due to shortages of raw materials and labour. It is estimated that a 1% increase in DRC valuations would increase the assets values by £0.9m.
Fair Value Measurements	When the fair values of financial liabilities cannot be measured based on quoted prices in active markets, their fair value is measured using the Discounted Cash Flow (DCF) model.	The Authority uses the DCF model to measure the fair value of its PFI liabilities. Fair value is calculated using the bond yield rates against the annual net cash flows. It is estimated that a 1% decrease in the discount rate would increase the fair value by £1.6m.

Pension Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Consulting actuaries are engaged to provide the Authority with expert advice about the assumptions to be applied to each scheme.	The effects on the net pension liability of changes in individual assumptions can be measured as follows: A 0.1% increase in these assumptions has the following effect on the net pension liability: <ul style="list-style-type: none"> • Discount rate – decrease of £15.8m • Inflation rate – increase of £13.1m • Pay growth – increase of £2.0m A 1 year increase in life expectancy will increase the net pension liability by £6.6m.
Fire-fighters Pension Liability & LGPS Liability	Estimate of the impact on future liabilities arising from the potential remedy awarded to affected employees relating to the McCloud/Sargeant judgement.	Past service costs were recognised in 2018/19 (see Note 15), however these are based on one potential remedy and are very sensitive to the assumptions made. Full details can be seen in note 19 Contingent Liabilities.

This list does not include assets and liabilities that are carried at fair value based on a recently observed market price.

27 Accounting Standards issued but not yet adopted

For 2019/20 the following accounting policy changes that need to be reported relate to:

- Amendments to IAS 28 Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures
- Annual Improvements to IFRS Standards 2015–2017 Cycle
- Amendments to IAS 19 Employee Benefits: Plan Amendment, Curtailment or Settlement.

These standards will be incorporated into the Statement of Accounts as required by the Code, but are not expected to have a material impact.

28 Expenditure and Income Analysed by Nature

The Authority's expenditure and income is analysed as follows:

	2019/20 £000	2018/19 £000
Expenditure		
Employee benefits expenses	46,642	67,391
Other services expenses	12,850	13,925
Support service recharges	-	4
Depreciation, amortisation and impairment	4,194	4,402
Interest payments	22,611	21,755
Gain on disposal of fixed assets	(14)	(68)
Total expenditure	86,283	107,409
Income		
Fees, charges and other service income	(7,528)	(5,666)
Interest and investment income	(332)	(358)
Income from council tax and business rates	(54,653)	(44,845)
Government grants and contributions	(2,072)	(10,771)
Total Income	(64,585)	(61,640)
Deficit on the provision of services	21,698	45,769

29 Accounting Policies

a General Principles

The Statement of Accounts summarises the Authority's transactions for the 2019/20 financial year and its position at the year end of 31 March 2020. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which those regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom – 2019/20, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

b Accruals of income and expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where income and expenditure have been recognised but cash has not been received or paid, a debtor or a creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

c Cash & cash equivalents

Cash is represented by cash in hand and deposits repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

d Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year:

- Depreciation attributable to the assets used by the relevant service
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- Amortisation of intangible fixed assets attributable to the service.

The Authority is not required to raise council tax to cover these charges. However, it is required to make an annual contribution from revenue (Minimum Revenue Provision (MRP)) towards the reduction in its overall borrowing requirement equal to either an amount calculated on a prudent

basis determined by the Authority in accordance with statutory guidance, or a minimum of 4%. In addition to the statutory MRP calculated, the Authority may also make voluntary MRP contributions in line with approved budgets and to reduce the ongoing borrowing requirement. Depreciation, impairment and impairment losses and amortisations are therefore replaced by the contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

e Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year end. They include such benefits as wages and salaries, paid annual leave and paid sick leave and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the current financial year (the best estimate of future rates at the time of the accounts). The accrual is charged to the surplus or deficit on provision of services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Post Employment Benefits

Employees of the Authority are members of two separate pension schemes:

- The Firefighters Pension Scheme, administered by Lancashire County Council
- The Local Government Pension Scheme, administered by Lancashire County Council

Both schemes provided defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Authority.

The Firefighters' Scheme

Under IAS19 the future costs of retirement benefits have to be recognised in the accounts at the point at which the Authority becomes committed to paying them (the point when the benefits have been earned by the employee), even if the actual payment of benefits will be many years in the future.

This obligation to pay pensions benefits in the future is recognised as a liability in the Authority's Balance Sheet. In the service costs part of the Comprehensive Income and Expenditure Statement, transactions are recorded that indicate the change over the year in the pension liability. These are principally the future costs of pensions earned by Firefighters in service during the year. The transactions are not cash-based, but are actuarially-calculated amounts that reflect more closely the true changes in the scheme's long-term liabilities.

In calculating the liability for 2019/20, the actuary based the valuation on a roll forwards approach.

Top up grant received during the year from the Home Office to cover the pension costs of the above scheme are recognized in the Comprehensive Income and Expenditure Statement via adjustments in respect of the actuarial valuation.

The Local Government Pension Scheme

The same basic principles apply to the local government scheme with the difference being that, because this is a funded scheme (i.e. is backed by a portfolio of investments in

equities, property etc), there are transactions recorded in the revenue account to reflect changes in the expected return on these assets. Like the transactions referred to above, these too, are actuarially-calculated figures.

On the Balance Sheet, the liability to pay future pensions is balanced, although at the moment not fully, by the fund's investment assets.

In calculating the liability for 2019/20, the actuary based the valuation on a roll forwards approach.

In valuing the pension scheme assets for 2019/20, the actuaries used fair value basis for both derivatives and investments.

f Financial Liabilities

Financial liabilities are initially measured at fair value and carried at their amortised cost. For all of the borrowings the Authority has, this means that the amount presented in the Balance Sheet is the outstanding principle repayable plus accrued interest and the interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year in the loan agreement.

g Financial Assets measured at amortised cost

The Authority holds only one type of financial asset, loans and receivables. These are its cash investments and debtors - assets that have fixed or determinable payments but are not quoted in an active market.

Loans and receivables are initially measured at fair value and carried at their amortised cost. For all of the investments that the Authority has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable. The interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year under the terms of the deposit agreement.

h Government Grants & Contributions

Government grants and donations are recognised as due to the Authority when there is reasonable assurance that:

- The Authority will comply with the conditions attached to the payments, and
- The grants or contributions will be received.

Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until conditions attached have been satisfied. When conditions have been satisfied, the grant is credited to the non-specific grant income line in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement.

i Non Current Assets

Non current assets are included in the Balance Sheet at the estimated current value of the asset. They comprise:

- Property, plant & equipment - These are assets that have a physical substance which are used continuously to provide services or for administrative purposes.

- Intangible assets – Assets that do not have a physical substance but can be separately identified and controlled by the Authority (for example, software licenses). Spending on these assets is capitalised if the asset will bring benefit to the Authority for more than one financial year.

i) Recognition

All capital expenditure over the value of £10,000 on the acquisition or enhancement of non current assets is capitalised in the accounts on an accruals basis, in accordance with the relevant statute, with the exception of fleet vehicles, which are capitalised providing the cost is over £5,000 and the asset life is over 5 years.

ii) Measurement

Land and buildings are revalued on a rolling five year basis by a suitably qualified surveyor. As at 31 March 2019, Amcat Limited, an external organisation, using surveyors qualified by the Royal Institution of Chartered Surveyors, carried out revaluations on the identified properties. All valuations are on the basis of depreciated replacement cost, with the exception of one property used as offices, valued at Existing Use Value.

All other Non current assets are valued at historic cost.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007, the date of its formal implementation. The Revaluation Reserve was created with effect from 31 March 2007 with a zero opening balance. Gains arising before 1 April 2007 have been consolidated into the Capital Adjustment Account.

iii) Impairment

The Combined Fire Authority's non current assets are considered for impairment at the end of each year by appropriately qualified Property Consultants.

iv) Disposals

When an asset is disposed of the value of asset in the balance sheet is written off to the income and expenditure account as part of the gain or loss on disposal. Receipts from disposals are also credited to this, resulting in the netting off of receipts against the carrying value of the asset.

v) Depreciation

Depreciation is charged on those assets which have a finite useful life, in the year after acquisition:

- Intangible assets are assessed over their estimated useful life, 5 years.
- Land is assessed as having an infinite life, and therefore is not depreciated.
- Building assets are assessed for an appropriate property life by property professionals, in 10-year bands up to a maximum of 50 years.
- Equipment is depreciated over their estimated useful life, ranging from 5 to 20 years.
- Vehicles are depreciated over their estimated useful life, ranging from 5 to 15 years.

The charges are based on the opening net book value of assets at the start of the financial year and the estimated useful life of the asset, and are calculated in such a way as to give an equal charge to the revenue account in each of the years the asset is used.

vi) Componentisation

From 1 April 2010, the Authority is required to separately recognise, depreciate and de-recognise significant components of assets, where the significant component has a different useful life to the remainder of the asset. Assets with a carrying value of less than £500,000 will not be subject to componentisation rules, and a significant component is one of over 25% of the asset carrying value. Components will only be recognised on assets valued after 1 April 2010.

vii) Derecognition

Assets will be derecognised when no further economic benefits are expected from the asset's use or disposal – ie when the economic benefits inherent in the asset have been used up.

viii) Non Current Assets Held for Sale

When it becomes probable that the carrying value of an asset will be recovered principally from the sale of the asset rather than its continuing use, it is reclassified as an Asset Held for Sale. Depreciation is not charged on Assets Held for Sale.

j Private Finance Initiative (PFI) and similar contracts

Current status

The Authority has two existing PFI arrangements:

- With PFF Lancashire for Hyndburn and Morecambe fire stations, which is a continuing commitment for 30 years from May 2003; and
- With Balfour Beatty Fire and Rescue NW Limited to replace four fire stations in Lancashire as part of a wider scheme to replace 16 in total in conjunction with Merseyside Fire and Rescue Authority and Cumbria County Council. The contract will run for 25 years from the date of the final station being handed over during 2013/14.

Revenue transactions relating to the above schemes are explained in Note 14.

Accounting for PFI

PFI contracts are agreements to receive services, where responsibility for making available the non current assets to provide services passes to the PFI contractor. The PFI scheme is accounted for on a consistent basis to IFRIC 12.

Recognition of assets and liabilities

Fire stations provided under PFI contracts are recognised as non current assets of the Authority. A related liability is also recognised. The asset and liability are recognised when the asset is made available for use. The related liability is initially measured at the value of the related asset and subsequently calculated using the same actuarial method used for finance leases.

Once on the balance sheet the PFI assets will be treated in the same way as all other non current assets of the same type including depreciation, impairment and revaluation.

Minimum Revenue Provision (MRP)

Assets acquired under a PFI that are recognised on the balance sheet are subject to MRP in the same way as assets acquired using other forms of borrowing. The amounts of MRP are

calculated in accordance with the appropriate regulations and statutory guidance. MRP is equal to that element of the unitary charge which is applied to repay the outstanding liability.

Unitary Payment

The unitary payment is a monthly charge payable to the PFI contractor in return for the services provided. This payment is analysed into elements for the fair value of services, capital and revenue lifecycle (planned maintenance), contingent lease rentals, the repayment of the outstanding liability and interest payable on the outstanding liability. The fair value of the services and the revenue lifecycle element are charged to the revenue account. The capital lifecycle element is charged to the non current assets and funded by a revenue contribution. The contingent lease rentals and interest payable are recorded in the "interest payable and similar charges" account outside the net cost of services but within net operating expenditure in the income and expenditure account.

Deductions from the Unitary Payment

The PFI contracts provide for deductions from the unitary payment in the case of sub standard performance or when the facilities are unavailable. Deductions for sub standard performance are accounted for as a reduction in the amount paid for the affected services. Deductions arising from the unavailability of the property are apportioned pro rata to the proportions of the service and property elements of the unitary payment:

- A reduction for part or all of the property being unavailable for use – this will first be accounted for as an abatement of the contingent lease rentals, then finance costs if contingent rents are insufficient; and
- A reduction in the price paid for services whilst services are not being provided accounted for as a reduction in the amount paid for the affected services.

Deductions of either type are accounted for when the Authority's entitlement has been established and it is probable that the Authority will be able to make the deduction.

k PFI Equalisation Reserve

The Authority holds two PFI equalisation reserves for the purpose of smoothing out, within the revenue account, the annual net cost to the Authority of payments under PFI contracts:

- In 2003/04 the Authority established a PFI equalisation reserve for the PFI contract with PFF Lancashire Limited. The contract relates to the provision and maintenance by PFF Lancashire Limited of two fire stations at Morecambe and Hyndburn; and
- In 2011/12 the Authority created a new PFI equalisation reserve in relation to the Authority's share of the PFI contract with Balfour Beatty Fire and Rescue NW Limited. The contract relates to the provision and maintenance of Blackburn, Burnley, Chorley, and Fleetwood fire stations.

An annual revenue contribution in lieu of interest will be made to the reserve. The reserve balance will be reviewed each year at which time the amount of any revenue contribution to or from the reserve will be determined.

l Provisions

The Authority has the power to establish provisions for any liabilities of uncertain timing or amount that have been incurred. Details of the Authority's provisions are given in note 12 to the Balance Sheet.

m Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged against the net cost of services in that year in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirements and employee benefits and do not represent usable resources for the Authority.

n Contingent liabilities

A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent liabilities are not recognised in the Balance Sheet, but disclosed in a note to the accounts.

O Going Concern

These accounts are prepared on a going concern basis, on the assumption that the Authority's functions will continue in operational existence for the foreseeable future. Please see the future financial plans section in the foreword for more detail.

FIRE FIGHTERS PENSION FUND ACCOUNT AND NET ASSETS STATEMENT

Fund Account	2019/20 Total £000	2018/19 Total £000
Income to the fund		
Contributions receivable:		
- From employer		
- contributions in relation to pensionable pay	(6,889)	(3,699)
- other contributions	(297)	(266)
- Members contributions	(3,022)	(3,074)
Transfers in:		
- Individual transfers from other schemes	(309)	(168)
Total Income to the Fund	(10,517)	(7,207)
Spending by the fund		
Benefits payable:		
- Pension payments	20,436	19,297
- Commutations of pensions and lump-sum retirement benefits	4,735	4,418
Transfers out:		
- Individual transfers out to other schemes	-	3
- Refunds of contributions	2	-
Total Spending by the fund	25,174	23,718
Net amount receivable for the year before top up grant receivable from central government	14,657	16,511
Top up grant receivable from central government	(14,657)	(16,511)
Net amount receivable for the year	-	-
Net Assets Statement	2019/20 £000	2018/19 £000
Net current assets and liabilities:		
- pensions top up grant receivable from central government	(4,156)	(3,765)
- other current assets and liabilities (other than liabilities and other than benefits in the future)	4,156	3,765
Net current assets at the end of the year	-	-

The four firefighters pension schemes (1992 scheme, 2006 scheme, special members of the 2006 scheme and 2015 scheme) are unfunded defined benefits schemes, meaning that there are no investment assets built up to meet the pensions liabilities, and cash has to be generated to meet the actual pension payments as they fall due. The Authority makes employers contributions into the schemes and the balance of funding required after pension payments are made is received from central government.

The above statement shows the financial position of the total fire fighters pension fund account, showing that as at 31 March 2020 the Authority is owed £4.156m (2018/19: £3.765m) by the Home Office in order to balance the account. The fund statements do not take account of liabilities after the period end, the Authority's long term pension obligations can be found in the Authority's main statements, and also note 15 to the accounts. The fund was established under the Firefighters' Pension Scheme (Amendment) (England) Order 2006. The statement was prepared according to International Financial Reporting Standards (IFRS).

The note has been prepared in line with general accounting policies set in Note 29 – accounting policies, in particular section e.

Contribution Rates

Under the firefighters pension regulations the contribution rates during 2019/20 were as follows:

- for the 1992 scheme were circa 51.5% on average of pensionable pay (37.3% for employers and between 11% and 14.7% for employees dependent on salary)
- for the 2006 scheme were circa 37.8% on average of pensionable pay (27.4% for employers and between 9.4% and 10.9% for employees dependent on salary)
- for special members of the 2006 scheme were circa 51.5% of pensionable pay (37.3% for employers and between 11% and 14.7% for employees dependent on salary)
- for the 2015 scheme were circa 41.0% on average of pensionable pay (28.8% for employers and between 10.5% and 14.5% for employees dependent on salary)

These contribution levels are set nationally by the Government, and are subject to triennial revaluations by the Government Actuary's Department. Three ill health retirements were recognised during 2019/20, and four in 2018/19.

Benefits Paid

Pensions are paid to retired officers, their survivors and others who are eligible for benefits under new and existing pension schemes.

Home Office Grant

There are no investment assets and the fund is balanced to zero each year by receipt of a top up grant from the Home Office, if contributions are insufficient to meet the cost of pension payments, or by paying over any surplus grant.

Future Liabilities

The firefighters pension fund financial statements do not take account of liabilities to pay pensions and other benefits after the period end, however details of the firefighters pension fund long term pension obligations are recognised in the Authorities financial statements, details can be found in note 15.

GLOSSARY OF TERMS

Accrual

A sum included in the accounts to cover income or expenditure attributable to the accounting period covered by the accounts but for which payment had not been received/made at the Balance Sheet date.

Amortised cost

Amortised cost is a valuation basis for financial instruments that, in the case of this Authority's assets and liabilities, is equal to their nominal value plus any interest accrued to the balance sheet date.

Budget

A statement which reflects the Authority's policies in financial terms and which quantifies its plans for spending over a specified period. The Revenue Budget (i.e. spending other than capital expenditure) is normally finalised and approved in January prior to the commencement of the financial year.

Capital Expenditure

Payments made for the acquisition or provision of assets which will be of relatively long-term value to the Authority e.g. land, buildings and equipment. Also referred to as capital spending, capital outlay, or capital payments. The resulting capital assets are referred to as "fixed assets".

Capital Receipts

Proceeds from the sale of capital assets. Such income may only be used for capital purposes, i.e. to repay existing loan debt, or to finance new capital expenditure in proportions determined by the Government. Any receipts which have not yet been utilised as described are referred to as "capital receipts unapplied".

Comprehensive Income & Expenditure Statement

An account which records an authority's day to day expenditure and income on items such as salaries and wages, running costs of services and the financing charges in respect of capital expenditure.

Creditors

Amounts owed by the Authority for work done, goods received, or services rendered but for which payment had not been made at the date of the Balance Sheet.

Debtors

Sums of money due to the Authority in the relevant financial year but not received at the Balance Sheet date.

Fair Value

Fair value is a valuation basis for financial instruments that represents the amount at which the instruments could be exchanged in an open market transaction. If no market for a specific instrument exists, fair value can be estimated by a technique that is based on a comparison of the interest rate on the instrument with interest rates on similar instruments that are available in financial markets.

Financial Instrument

A financial liability or asset such as a borrowing or an investment.

Financial Year

The period of twelve months for which the accounts are comprised. For Fire Authorities the financial year (or accounting period as it is also known) commences on 1 April and finishes on the 31 March of the following year.

Financing Charges

Annual charges to the Authority's Comprehensive Income and Expenditure Statement to cover the interest on and the repayment of, loans raised for capital expenditure. Annual lease rental payments are also included.

Premiums and Discounts

Premiums are payable and discounts receivable when loans are repaid to the Public Works Loan Board (PWLB) in advance of their contracted maturity date. The premium or discount is calculated with reference to the interest rate on the loan being repaid and the interest rate for similar new loans on the repayment date.

Public Works Loan Board (PWLB)

A government agency which provides longer-term loans to local authorities at interest rates only slightly higher than those at which the government itself can borrow.

Revenue Contribution to Capital Outlay

The financing of capital expenditure by a direct contribution from revenue account, rather than by means of loan or other forms of finance.

Revenue Expenditure

The day-to-day expenditure of the Authority, which is charged to the Comprehensive Income & Expenditure Statement, comprising mainly salaries and wages, running costs, and financing charges.

LANCASHIRE COMBINED FIRE AUTHORITY

RESOURCES COMMITTEE

Meeting to be held on 23 September 2020

PROPERTY ASSET MANAGEMENT PLAN (Appendix 1 refers)

Contact for further information:

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

Executive Summary

The attached Property Asset Management Plan sets out details of our current asset portfolio together with progress on improving our assets since the last Plan was produced (2015), performance data for each asset and an action plan for continuing to improve our asset base. (Note we are updating photographs within the station data section.)

Recommendation

The Committee is requested to approve the Property Asset Management Plan and note the link between this and the capital and revenue budget of the Authority.

Information

For our Property Asset Management Plan we are adopting a framework that comprises four elements:-

- Property Policy Framework;
- Asset Management Plan Progress Report;
- Property Performance Report;
- 5-year Action Plan.

Property Policy Framework

This is a brief overarching section that looks across the whole portfolio and sets out how that portfolio will, as a whole be used in furtherance of the Service's strategic aims.

The Authority's property assets have a book value of over £85m and comprise of the following assets: -

- Service Headquarters;
- Service Training Centre;
- 39 stations;
- 7 Whole Time (including 2 with a retained appliance as well) stations;
- 17 Retained stations;
- 4 Day Crew (including 2 with a retained appliance as well);
- 11 Day Crew Plus (DCP) (including 8 with a retained appliance as well);

- Urban Search and Rescue (USAR);
- 1 lease granted to Prince's Trust.

Our vision for property assets has 6 key elements:-

- Maintained in a good state of repair;
- Fit for purpose;
- Future proof;
- Environmentally sustainable;
- Efficient in cost and use;
- Inclusive and accessible.

These key elements are used to assess our assets and determine what, if any, investment is required and where to prioritise this.

Asset Management Plan Progress Report

This sets out the progress that has been made by the service in improving the assets in use, towards our overall asset vision and how we are improving the alignment of the property portfolio with service delivery needs.

Considerable improvement in the asset base has been made since 2006/07, with the Service now only having 2 assets which are classed as in poor condition and as being unsuitable:-

- SHQ; and
- Preston fire station.

These form the basis of our investment priorities in future years.

Property Performance Report

The sets out how the performance of the property assets has been measured to date and the general direction and areas of performance that needs to be adopted going forward, if the 5-year Action Plan is to be delivered. It is anticipated that this Property Performance Report will be revised and refreshed each year.

In terms of this there are a number of performance standards and the following table summarises these and our current position:-

	Vision	Performance Measures	Performance Standards	Existing data
1	Maintained in a good state of repair	a. Condition rating	Grade B or above (on A-D scale)	Condition surveys from 2017
		b. Statutory compliance	Yes / No (against required programme)	Data within station log books

	Vision	Performance Measures	Performance Standards	Existing data
2	Fit for purpose	a. Suitability grade	Grade B or above (on A-D scale)	Suitability surveys from 2012
3	Environmentally sustainable	a. Energy consumption	To be determined (measured in Kwh per m2)	Data complete
		b. Water consumption	To be determined (m3 per m2)	Data complete
		c. CO2 emissions	20% reduction across property portfolio by 2013 (against 2006/2007 baseline)	Data complete
		d. Environmental performance	Display Energy Certificate rating	Data complete
		e. Recycling facilities	Yes / No (facilities equivalent to kerbside collection facilities)	Data complete
4	Future proof	a. Risk from flooding	Located away from flood plains	Data complete
		b. Business Continuity Plan	Yes / No	Data complete
		c. Remaining asset life	> 25 years	Data complete
5	Efficient in cost and use	Building operating costs (utilities and business rates only)	To be determined (measured in £ per m2)	Data complete
6	Inclusive and accessible	a. Public Disability access	Access Audits undertaken and all agreed works completed to a satisfactory standard	Data complete
		b. Welfare facilities	Female toilets and showers	Data complete
		c. Community access	Facilities shared with other public and voluntary sector agencies	Data complete

5-year Action Plan

This provides an analysis of where the gaps are and an Action Plan against which progress will be measured.

The main action plan items are:-

- Construction of STC Workshop/BA School;
- Enhance welfare/sleeping facilities;
- Re-provision of SHQ, which is subject to the outcome of a business case;
- Re-provision of Preston fire station, which is subject to the outcome of a business case;
- Continue to review opportunities for site sharing.

Should further capital grant be made available by the Government the Authority would review opportunities to bid against this.

Financial Implications

The initial cost estimates of the above are reflected in the revenue and capital budgets agreed by the Authority in February 2020, although it must be noted these are indicative only at this stage as considerably more work is required to produce accurate costings.

Business Risk Implications

Property related business risk issues are included in the Property Asset Management Plan.

Environmental Impact

Property related environmental issues are included in the Property Asset Management Plan.

Equality and Diversity Implications

Property related equality and diversity issues are included in the Property Asset Management Plan.

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:		



Lancashire Fire and Rescue Service



CONTENTS

INTRODUCTION

1 Property Policy Framework

- 1.1 Corporate Context
- 1.2 Key organisational policies and strategies
- 1.3 LFRS Vision for its property assets
- 1.4 Key property policies
- 1.5 Asset Management arrangements
- 1.6 Capital planning arrangements
- 1.7 Key roles & responsibilities
- 1.8 Collaboration

2 AMP Progress Report

- 2.1 Progress on key initiatives
- 2.2 Current asset base
- 2.3 Gap analysis
- 2.4 Priorities for the future

3 Property Performance Report

- 3.1 Background
- 3.2 Rationale for performance indicators
- 3.3 Property Performance Management Framework
- 3.4 Analysis of performance

4 5-year Action Plan

- 4.1 What the assets are
- 4.2 What is expected of them
- 4.3 How they are performing
- 4.4 Performance shortfalls
- 4.5 Priorities for intervention
- 4.6 Resources Analysis
- 4.7 Action Plan
- 4.8 Monitoring & Review arrangements

INTRODUCTION

For our Property Asset Management Plan we are adopting a documentation framework that comprises a suite of four documents, as described in paragraphs 1 to 4 below.

- 1 Property Policy Framework:** This is a brief overarching section that looks across the whole portfolio and sets out how that portfolio will, as a whole be used in furtherance of the Service's strategic aims. As this document is by its nature a strategic document, dealing with high level goals, it should not require major changes more frequently than every 5 years or so.
- 2 AMP Progress Report:** This sets out the progress that has been made by the service in improving the assets in use since our previous Asset Management Suite which we adopted in 2014. We have achieved a great deal towards our overall asset vision and have further improved the alignment of the property portfolio with service delivery needs.
- 3 Property Performance Report:** The Property Performance Report sets out how the performance of the property assets has been measured to date and the general direction and areas of performance that needs to be adopted going forward, if the 5-year Action Plan is to be delivered.
- 4 5-year Action Plan:** This fourth document pulls together the three other documents to provide an analysis of where the gaps are and an Action Plan against which progress will be measured.



Lancashire Fire and Rescue Service

1. Property Policy Framework

Property Policy Framework: This is a brief overarching section that looks across the whole portfolio and sets out how that portfolio will, as a whole be used in furtherance of the Service's strategic aims. As this document is by its nature a strategic document, dealing with high level goals, it should not require major changes more frequently than every 5 years or so.

CONTENTS

1 Property Policy Framework

- 1.1 Corporate Context
- 1.2 Key organisational policies and strategies
- 1.3 LFRS Vision for its property assets
- 1.4 Key property policies
- 1.5 Asset Management arrangements
- 1.6 Capital planning arrangements
- 1.7 Key roles & responsibilities
- 1.8 Collaboration

1 Property Policy Framework

1.1 Corporate Context

Why LFRS has assets

- 1.1.1 Property assets are an important resource in delivering efficient and effective services to our community. But ownership, occupation and operation of property assets are not an end in itself and each asset should have a clear rationale and purpose.
- 1.1.2 We are clear that property assets should pay their way and make a positive contribution either to direct service delivery or to other socio-economic objectives of LFRS, over and above the costs of ownership.

What the assets are

- 1.1.3 Our property assets are valued and held in the 2018/2019 Statement of Accounts at over £86.5 million. This is the 'book' value of the assets, in most cases assuming continued use by the Service, and does not represent the value that might be secured from disposal.
- 1.1.4 Nevertheless, this is a considerable book value which demonstrates the importance of property assets to the Service and why it is important to manage the resource effectively, and ensure that assets are both needed and also pay their way. The principal property assets owned by the Service include:
- Service Headquarters
 - Service Training Centre
 - 39 stations
 - 7 Whole Time (including 2 retained) stations
 - 17 Retained stations
 - 4 Day Crew (including 2 Retained)
 - 11 Day Crew Plus (DCP) (including 8 Retained)
 - USAR
 - 1 lease granted to Prince's Trust

1.2 Key organisational policies and strategies

- 1.2.1 This suite of documents fits within a wide range of policies and strategies covering key service areas and overarching activities. It forms part of the services health and safety management system which is certified to ISO 45001:2018 and the environmental management system certified to ISO 14001:2015. All these policies and strategies are complementary
- 1.2.2 Examples of complementary policies and strategies include:
- Integrated Risk Management Plan
 - Emergency Cover Review
 - Medium Term Financial Strategy
 - Local Procurement Strategy
 - Safety, Health and Environment Policy
 - Carbon Management Plan
 - Workforce Development Strategy
 - Annual Plan

1.3 LFRS Vision for its property assets

- 1.3.1 The Service's priorities are shown as a property portfolio vision in the diagram overleaf:
- PREVENTING fires and other emergencies from happening,
 - PROTECTING people and property when they do;
 - RESPONDING to emergencies quickly and competently;

- ENGAGING with our staff.
- DELIVERING VALUE FOR MONEY in how we use our resources.

1.3.2 Taking the corporate priorities as a foundation, we have developed a vision for our property portfolio that can be expressed as shown in the diagram below. This vision in turn drives our adopted performance management framework.



The six elements of our Property Vision are key to helping us deliver our corporate objectives, as follows:

	PREVENTING	PROTECTING	RESPONDING	ENGAGING	DELIVERING VALUE FOR MONEY
Maintained in a good state of repair	✓	✓			✓
Fit for purpose	✓	✓	✓		✓
Future proof	✓	✓	✓		✓
Environmentally sustainable	✓	✓			✓
Efficient in cost and use	✓	✓			✓
Inclusive and accessible			✓	✓	

1.3.3 The different elements of this property vision are important in order to determine how we expect our property assets to perform, and how we can measure progress against achievement of our corporate priorities.

1.3.4 Building on the work undertaken in developing our property vision, in 2014 we developed a Property Performance Management Framework that tells us how we are progressing towards ensuring achievement of that vision.

1.3.5 Details of the Property Performance Management Framework, including performance measures and standards, are set out in Property Performance Report, which is document 3 in this suite of four documents.

1.4 Key Property Policies

1.4.1 Our policy framework underpins our asset management approach. This ensures use of premises and costs are managed and controlled effectively and consistently. The Policy Framework includes:

- Land Disposal
- Use of Community Rooms
- Site Sharing
- Self Help
- Access Improvement
- Asbestos Management
- Legionella Management
- Energy Management
- Environmental Impact
- Waste Management
- Climate Change – Severe Weather Management
- Emergency Preparedness and Response

These policies are reviewed in light of any change to the Service's priorities.

1.4.2 We revised our Carbon Management Plan (CMP) in April 2013. The plan includes a visionary target of reducing CO₂ emissions of 40% by March 2020 against a 2007/2008 baseline. By March 2019, we actually achieved a 23% reduction. An updated Carbon Management Plan is currently being developed with revised targets, and once published this Asset Management Plan will be updated to reflect that. We aim to continue our success and achieve year on year reductions in carbon emissions. This is based on our low carbon vision, which is as follows:

'Lancashire Fire and Rescue Service recognise the need to tackle climate change at a local level. We will reduce our carbon emissions and our impact on the environment from the services we deliver and work with partners to reduce Lancashire's carbon emissions which in turn will contribute to carbon reduction in the widest possible sense.'

1.5 Asset Management arrangements

1.5.1 We have a well-established process for ensuring we make the best use of our property assets. This commences with our five-yearly stock condition surveys which provides us with a baseline for future maintenance requirements. The building condition is then reviewed against availability of capital and revenue allocations as well as other aspects of building performance such as suitability, environmental performance and 'fit' with future operational demands of the service through RMP and Emergency Cover Review. This process is shown in the diagram overleaf.



1.6 Capital planning arrangements

- 1.6.1 Our capital funding requirements are a product of the condition survey programme and other reviews mentioned above. This identifies which assets need investment through rebuilding or refurbishment and individual business cases are developed to ensure:
- economy, efficiency and effectiveness of any intervention solutions
 - overall affordability and deliverability

1.7 Key roles and responsibilities

- 1.7.1 The Head of Property has day to day responsibility for managing the property portfolio, reporting to Board level through the Director of Corporate Services. The lead member for property issues is the Chair of the Resources Committee.
- 1.7.2 Financial arrangements including revenue and capital requirements are considered within the established Devolved Financial Management (DFM) arrangements in conjunction with the Director of Corporate Services.

1.8 Collaboration

- 1.8.1 Since 2007 the Authority has developed arrangements for working closely with Lancashire Police where there is mutual benefit. Tangible outcomes of this relationship include the joint facility at Presall where Lancashire Police rent accommodation on the fire station.
- 1.8.2 In addition to the Police, the Service has worked with the North West Ambulance Service. In recent times they have shared accommodation at various sites on a temporary basis, and have longer term arrangements at Preston and Darwen Fire Stations.

1.8.3 We now have a combined Fire and Ambulance Facility at Lancaster which opened in 2018.

1.8.4 The Service has the following joint procurement partnerships.

- It is part of a Merseyside shared service agreement
- It has procured an Appliance Bay doors Maintenance Contract through a joint arrangement with Manchester Fire Service / North West Ambulance Service / Merseyside Fire Service which benefits all the services through economies of scale.
- Planned Maintenance contracts with Lancashire County Council.

DRAFT



Lancashire Fire and Rescue Service

2. AMP Progress Report

AMP Progress Report: This sets out the progress that has been made by the service in improving the assets in use since the adoption of our last asset management document suite in 2014, and how we are progressing towards our overall asset vision and how we are improving the alignment of the property portfolio with service delivery needs.

CONTENTS

- 2 AMP Progress Report**
- 2.1 Progress on key initiatives
- 2.2 Current asset base
- 2.3 Gap analysis
- 2.4 Priorities for the future

2 AMP Progress Report

2.1 Progress on key initiatives

2.1.1 In recent years the Service has made considerable progress in aligning the property estate with operational requirements and in improving both the physical condition and fitness for purpose of our property assets. There has also been a shift in the operational basis of some of the stations, as the service continually looks to modernise.

2.2 Current asset base

2.2.1 The current property asset base comprises

- Service Headquarters
- Service Training Centre
- 39 stations
 - 7 Whole Time (including 2 retained) stations
 - 17 Retained stations
 - 4 Day Crew (including 2 Retained)
 - 11 Day Crew Plus (DCP) (including 8 Retained)
- USAR
- 1 lease granted to Prince's Trust

2.2.2 The total number of stations has not changed since the previous asset management plan was adopted in 2014, but the nature of station operation has. The number of whole-time stations has reduced from 12 (including 7 retained) down to 7 (with 2 retained).

2.3 Gap Analysis

State of Repair

2.3.1 A fundamental aspect of any asset management approach is an accurate assessment of condition of the property portfolio. LFRS commissioned a comprehensive and independent stock condition survey in 2001, 2006, 2011 and 2017. The latest stock condition surveys provide:

- A The Condition Category of each element (A, B, C, or D)
- B A Budget Cost to repair each element
- C Remaining life expectancy of each element, and when it will have to be repaired or replaced.
- D A budget cost to upgrade each element to condition 'A'.

2.3.2 The latest stock condition survey was completed in 2017. The level of backlog maintenance has reduced significantly, reflecting the investments the Authority has made in its building stock and, aside from SHQ, there is only currently 1 station which is classed as in bad condition, which is Preston. We have through targeted maintenance been able to move the condition category of Carnforth station from Poor into Good and of STC from Poor into Satisfactory.

2.3.3 The condition of the Headquarters and Preston sites remain a concern, and options are continuing to be considered to redevelop the sites and/or re-provide appropriate accommodation.

Fitness for purpose

2.3.4 We were successful in securing transformation funding grants of £0.6m and £2.4m towards DCP at Skelmersdale station and new build of Lancaster station, respectively.

- 2.3.5 The Service has vastly improved the suitability of the fire stations overall, with targeted investment. A project is underway to ensure that all stations have suitable separate sleeping facilities.
- 2.3.6 A review of BA School arrangements at STC identified that there is insufficient separation of clean and dirty areas, and this is being addressed by providing a new BA school, as part of a new workshop facility at STC.
- 2.3.7 A number of drill towers require replacement, and the Service is currently developing a drill tower replacement strategy to agree on type of drill tower to be used in future and a priority list for replacement.

Future Proofing

- 2.3.8 The Integrated Risk Management Plan 2017-2022 is the overarching document that reflects our ambitions and objectives, together with setting clear direction on how these will be achieved and how success will be measured.
- 2.3.9 A key activity of the Integrated Risk Management Plan is the Emergency Cover Review (ECR). This reviews the activity, operational suitability, location and shift systems on fire stations. It also indicates how response standards are being met and provides options for optimising the locations of stations.
- 2.3.10 As part of the Service's priority of tailoring services to meet local needs the Authority has already moved to a new duty system, Day Crewing Plus, for a number of stations with lower activity levels. This decision reflects the Service's drive to match risk and activity to the required response.
- 2.3.11 We have adopted a 'traffic light' trigger mechanism for the continuous review and initiation of our Business Continuity Plan, as follows:

PROPERTY – Unplanned loss of the following accommodation:

Green (Level 1) Short term loss of non-priority stations

Amber (Level 2) Loss of a priority ¹fire station, Urban Search and Rescue Station or significant component of STC or SHQ

Red (Level 3) Loss of multiple stations comprising a geographical area or operational capacity or total loss of key premises e.g. STC or SHQ.

Additionally, an amber or red state may be declared by Executive Board members as a consequence of any other scenario which may impact on business continuity outside the defined property thresholds above.

- 2.3.12 All stations now have local plans in place to mitigate the effects of disruption to service delivery. All Stations also have Uninterruptable Power Supplies (UPS) for their mobilising equipment, and all the Stations that don't have static generators on site have connections installed to enable our mobile generators to be plugged-in, if the mains electricity supply fails.

Environmental

- 2.3.13 We revised our Carbon Management Plan (CMP) in April 2013. The plan includes a visionary target of reducing CO₂ emissions of 40% by March 2020 against a 2007/2008 baseline. By March 2019, we actually achieved a 23% reduction. An updated Carbon

¹ A priority Fire Station is a 'Key' station that is backfilled when the home appliance/s are engaged at an incident for 30 minutes or longer.

Management Plan is currently being developed with revised targets, and once published this Asset Management Plan will be updated to reflect that. We aim to continue our success and achieve year on year reductions in carbon emissions.

- 2.3.14 The Service continues to deliver its Carbon Management Plan. As part of this, Property Department benchmarks and improves its energy performance. This is supported by such work as boiler replacements, alternative energy sources such as solar panels, air source heat pumps, solar thermal and CHP.

Inclusivity and accessibility

- 2.3.15 The Property Department aligns to the organisational priority to promote equality and diversity. All new builds are designed to a standard that is fully compliant with the Equalities Act.
- 2.3.16 Regarding the Disabled Access Improvement Plan all priority 1 and 2 items have now been addressed which focuses on stations having large occupancies and regular public access. The remaining low priority work, at level 3, will be addressed subject to satisfying value for money criteria.
- 2.3.17 Disabled access to upper floors is limited at SHQ. STC and Preston Fire Station, and this will be addressed as part of any redevelopment works associated with these sites.

2.4 Priorities for the future

- 2.4.1 The Service has a main priority to target properties that are in a low suitability or condition category. As such both SHQ and Preston Fire Station are a key focus over the duration of this plan (further details are set out in the 5 year action plan shown in section 4).



Lancashire Fire and Rescue Service

3. Property Performance Report

Property Performance Report: The Property Performance Report sets out how the performance of the property assets has been measured to date and the general direction and areas of performance that needs to be adopted going forward, if the Prioritised 5-year Action Plan is to be delivered. It is anticipated that this Property Performance Report will be revised and refreshed each year.

CONTENTS

- 3 Property Performance Report**
- 3.1 Background
- 3.2 Rationale for performance indicators
- 3.3 Property Performance Management Framework
- 3.4 Analysis of performance

3 Property Performance Report

3.1 Background

3.1.1 This Property Performance Report is concerned with the range of performance indicators that we are adopting to measure the performance of the property portfolio and thus how well our properties are helping to deliver our property vision.

3.2 Rationale for performance indicators

3.2.1 The principal areas of performance that we have decided to measure include:

- Maintained in a good state of repair
- Fit for purpose
- Flexible and adaptable for the future
- Environmentally sustainable
- Efficient in cost and use
- Inclusive and accessible

3.2.2 Using the Property Vision established in the Property Policy Framework, we have adopted performance measures that form the basis of our Property Performance Management Framework.

3.3 Property Performance Management Framework

3.3.1 Table 1 below sets out an outline of our new Property Performance Management Framework, based upon delivering the Property Vision adopted in the Property Performance Framework.

3.3.2 The framework includes both the performance measures to be used and (where currently known) the performance standards to be used.

Table 1: Property performance indicators and performance standards

	Vision	Performance Measures	Performance Standards	Existing data
1	Maintained in a good state of repair	a. Condition rating	Grade B or above (on A-D scale)	Condition surveys from 2017
		b. Statutory compliance	Yes / No (against required programme)	Data within station log books
2	Fit for purpose	a. Suitability grade	Grade B or above (on A-D scale)	Suitability surveys from 2012
3	Environmentally sustainable	a. Energy consumption	To be determined (measured in Kwh per m ²)	Data complete
		b. Water consumption	To be determined (m ³ per m ²)	Data complete

	Vision	Performance Measures	Performance Standards	Existing data
		c. CO ₂ emissions	20% reduction across property portfolio by 2013 (against 2006/2007 baseline)	Data complete
		d. Environmental performance	Display Energy Certificate rating	Data complete
		e. Recycling facilities	Yes / No (facilities equivalent to kerbside collection facilities)	Data complete
4	Future proof	a. Risk from flooding	Located away from flood plains	Data complete
		b. Business Continuity Plan	Yes / No	Data complete
		c. Remaining asset life	> 25 years	Data complete
5	Efficient in cost and use	a. Building operating costs (utilities and business rates only)	To be determined (measured in £ per m ²)	Data complete
6	Inclusive and accessible	a. Public Disability access	Access Audits undertaken and all agreed works completed to a satisfactory standard	Data complete
		b. Welfare facilities	Female toilets and showers	Data complete
		c. Community access	Facilities shared with other public and voluntary sector agencies	Data complete

3.4 Analysis of performance

3.4.1 Set out below is a picture of the known performance of each asset in each of the performance elements of the Property Vision and Property Performance Framework.

Vision 1: Maintained in a good state of repair

The state of repair of our premises is measured through two indicators:

- Condition rating
- Statutory compliance

3.4.2 a. Condition rating

3.4.3 The condition rating is determined through periodic building condition surveys, and is an overall assessment of condition of that particular asset, using the following crating categories:

A: Good	– Performing as intended and operating efficiently
B: Satisfactory	– Performing as intended but showing minor deterioration
C: Poor	– Showing major defects and/or not operating as intended
D: Bad	– Life expired and/or serious risk of imminent failure

3.4.4 These grades follow the National Property Performance Management Initiative (NaPPMI) definitions.

3.4.5 During 2017 condition surveys were undertaken on all LFRS property assets, and these have been updated on a desktop basis to reflect subsequent works undertaken.

3.4.6 Work has taken place and is continuing to take place at a number of assets and this has delivered visible results. Whilst we still have SHQ and one station that is categorised as 'bad, which is Preston, generally the overall condition of the portfolio has improved over the past 5 years of the previous asset management plan.

3.4.7 The number of stations categorised as 'good' or 'satisfactory' has increased from 88% up to 97%, which is a significant achievement, and demonstrates the value of having condition data and targeted programmes of maintenance and improvement.

b. Statutory Compliance

3.4.8 This measure is around the extent to which the asset is statutorily compliant with relevant legislation, including up to date surveys, servicing, and inspection and testing. Examples of areas this includes are M&E servicing, asbestos management plans, water dosing and testing etc.

3.4.9 The Service undertakes regular servicing, testing and inspection of property assets and their mechanical, electrical, fire and water installations in order to ensure continued statutory compliance. Type II Asbestos surveys, Legionella surveys and Access Audits are also available for all sites.

3.4.10 This work is on a regular cycle, with the frequency of servicing, testing and inspection following statutory or best practice standards. Ensuring statutory compliance and planned maintenance costs around £260k as an element of the Property Department budget.

3.4.11 At present we are satisfied that all assets are fully compliant in terms of being up to date with the required surveys, testing and inspection regimes.

Vision 2: Fit for purpose

3.4.12 This measure provides us with an overall suitability grading for each asset taking into account a range of pre-determined criteria. These are:

- Environmental management
- Quality and functional suitability
- Physical attributes
- Sustainability

Annex A to this Property Performance Report sets out the elements that are taken into account in undertaking our suitability assessment.

3.4.13 The four suitability grades are as follows:

A: Good	– Performing as intended and operating efficiently
B: Satisfactory	– Performing as intended but showing minor problems
C: Poor	– Does not support the delivery of the service
D: Severe	– Life expired and/or detrimental effect on service delivery

3.4.14 In our fire station performance sheets set out in Annex B to this Property Performance Report we have categorised suitability into our RAG performance framework as follows:

Suitability Grade A	= "Green"
Suitability Grade B	= "Amber"
Suitability Grade C	= "Red"
Suitability Grade D	= "Red"

3.4.15 The data shows that in 2020 there were no assets that fell into the 'bad' grade. This leaves only SHQ and Preston fire station still with a poor suitability score as at the end of 2019.

3.4.16 The suitability of our assets has some variation across the regions within the LFRS with a higher predominance of 'satisfactory' stations within the Pennine region, where only 4 of the 9 stations are 'good'.

Vision 3: Future Proof

3.4.17 Ensuring that our property assets have longevity and are durable is an important aspect of asset performance for us, given the nature of the services that we provide and deliver.

a. Flood risk

3.4.18 The Service currently has 13 stations on flood plains, eight in zone 2 and five in zone 3. In addition we have five stations in a flood warning area. In terms of our performance reporting we treat those stations in a flood warning areas as a high ("Red") risk, those in flood warning zone 3 as a medium ("Amber") risk and those in flood zone 2 or below as a low ("Green") risk.

3.4.19 As regards risk to surface water flooding, we have one station at high ("Red") risk, 4 at medium ("Amber") risk and 12 at low ("Green") risk.

3.4.20 Opportunities to move fire stations are limited and even when they do present themselves this must be balanced against the potential adverse effect on response times of moving the station away from the flood risk area.

3.4.21 The priority is for appropriate planning and contingency measures to be in place for such events if and when they do occur (see 'business continuity' below). Details of the flood

risk at each station are shown within the asset performance sheets at Annex B to this Property Performance Report.

b. Business Continuity

- 3.4.22 All stations now have business continuity plans in place to mitigate the effects of disruption to service delivery. Similarly, opportunities are presented when works are undertaken on stations. These allow the Service to remove dependency on single boilers and establish some dual facilities, for example heating/showers, in case of gas or electric failure. All the 4 new PFI stations have their own dedicated generators.
- 3.4.23 All stations already have Uninterrupted Power Supplies for their mobilising equipment. All Stations without static generators have external connections for mobile generators in case of isolated outages of supply.

c. Remaining asset life

- 3.4.24 During the valuation process for each asset we consider the remaining asset life. Where assets are valued using a depreciated replacement cost approach the valuation considers the physical, functional and external obsolescence of the actual asset when compared with a modern equivalent asset. This is used to arrive at an estimated remaining asset life.
- 3.4.25 Our current data shows us that SHQ, Preston station and a number of ancillary buildings at the Washington Hall Training Centre have a remaining operational life estimated at less than 15 years. The majority of other operational assets have a remaining economic life in excess of 25 years.

Vision 4: Environmentally sustainable

- 3.4.26 We measure the environmental sustainability of our assets using five separate measures. These are
- Energy consumption
 - Water consumption
 - CO2 emissions
 - Environmental performance
 - BREEAM rating
 - Display energy certificates
 - Recycling facilities

a. Energy consumption

- 3.4.27 This measure includes electricity and gas fuels and is expressed as kWh per m² of gross internal floor area.
- 3.4.28 Within this total there is wide variance in the performance of individual assets, with the highest energy consumer being Bacup station at 379 kWh per m² and the lowest being Chorley station at 124 kWh per m². The nature of this performance measure is that there will always be high performers and low performers, and the challenge is to constantly seek to improve energy efficiency in all premises, to reduce energy consumption and costs.
- 3.4.29 Clearly the nature of occupation and activities at each stage can vary considerably and this may well contribute towards the wide range of performance.
- 3.4.30 We have analysed the energy performance of our fire stations and developed performance 'bands' that express performance based on where each station sits in relative terms to other stations. This is a temporary approach pending the development of a formal performance standard.

- 3.4.31 In 2014 we designated those in the top quartile of Station average kwh/m² use (<284kWh per m²) as "green" in our RAG performance framework, with those in the bottom quartile average (>401kWh per m²) as "red", with the remainder as "amber".
- 3.4.32 For consistency and comparability, we have retained these thresholds as absolute thresholds for performance reporting in this asset management plan. This means that we do not have any stations in the "red" category. Of all of our premises, only 5 are in the "amber" category, being Longridge, Great Harwood, Hornby, Bacup and Blackpool.

b. Water consumption

- 3.4.33 This measures water consumption expressed per square metre of gross internal floor area. As with energy consumption there is wide variation between different premises, with Bolton le-Sands station being the highest consumer of water at 0.98 litres per m² and 0.1 litres per m² at Silverdale station.
- 3.4.34 At the time of the 2014 asset management plan, the highest consumer of water was Nelson at 1.62 litres per m² which demonstrates a considerable reduction in water consumption levels.
- 3.4.35 We have analysed the water performance of our fire stations and developed performance 'bands' that express performance based on where each station sits in relative terms to other stations.
- 3.4.36 In 2014 we designated those in the top quartile (<0.18 litres per m²) as "green" in our RAG performance framework, with those in the bottom quartile (>0.77 litres per m²) as "red", with the remainder as "amber".
- 3.4.37 For consistency and comparability, we have retained these thresholds as absolute thresholds for performance reporting in this asset management plan. This means that we only have one station in the "red" category, which is Bolton le-sands. Of all of our premises, only 4 are in the "green" category, being Silverdale, Padiham, Barnoldswick, and Chorley.

c. Water CO₂ emissions

- 3.4.38 We adopted a Carbon Management Plan (CMP) in March 2009, which established performance improvement targets for the following 5-year period. We revised our Carbon Management Plan in April 2013. The plan includes a visionary target of reducing CO₂ emissions of 40% by March 2020 against a 2007/2008 baseline. By March 2019, we actually achieved a 23% reduction. An updated Carbon Management Plan is currently being developed with revised targets, and once published this Asset Management Plan will be updated to reflect that.
- 3.4.39 As such, we are treating this performance on a pan-portfolio basis rather than on an asset-by-asset basis. This is a high-level measure and by improving performance in the areas of energy and water consumption we will be contributing to improvement against this high-level measure.

d. Environmental performance

- 3.4.40 A Display Energy Certificate (DEC) and advisory report are required for buildings with a total useful floor area (as defined in the regulations) over 500m² that are occupied in whole or part by public authorities and frequently visited by the public.
- 3.4.41 We have complied with the legislative requirements to procure display energy certificates for relevant property assets. The majority of our fire stations are below the 500m² threshold, but to meet the new future standards we have DEC certificates for all our properties over 250m².

3.4.42 In our performance management framework, we have classified each fire station according to the DEC rating. A rating of A to C is afforded "green", D or E is afforded "amber" and F or G is afforded "red".

3.4.43 Of the 25 fire stations where there is a DEC in place this shows that only one station falls into the "red" category, being Penwortham. Twelve of the stations fall into the "green" category, leaving 12 in the "amber" category.

e. Recycling facilities

3.4.44 Our aim is that all of our assets accommodate recycling facilities that are at least equivalent to local District Council kerbside recycling facilities in the area that each asset is located, and to properly and responsibly manage our waste.

3.4.45 We have a waste hierarchy (prevent, reduce, re-use, recycle, recover and dispose) which sets the framework for how we manage waste. To meet these aims we;

- Separate general waste and hazardous waste at source
- Keep all waste securely stored and labelled until collection
- Promote waste reduction and re-use of waste as preferred options
- Monitor waste volumes to support waste minimisations

3.4.46 We have undertaken an assessment of each asset, and the current data shows that all of our properties are on target performance in terms of accommodating recycling facilities.

Vision 5: Efficient in use and cost

3.4.47 It is important that our property assets are as efficient as possible so that the capital and revenue tied up in them is at the optimum level. We measure that efficiency by calculating the overall building operating costs for each asset and express this per square metre of gross internal area. This provides us with a relative measure of efficiency as between each asset. The building operating costs include such things as business rates, rent, maintenance costs, energy costs and water costs.

Building operating costs

3.4.48 We have collated the principal operating costs for each station during the course of preparing and developing this plan, i.e., business rates and utility costs, and have undertaken an initial analysis to show the performance of each station. This can be seen in the fire station performance sheets in Annex B. The Service spends over £1m each year on business rates and utility costs alone.

3.4.49 Further and more detailed analysis will be undertaken over the coming year to further understand the data, enabling us to:

- Understand the drivers for relative performance,
- Set future performance standards, and,
- Intervene to improve performance where appropriate and cost-effective.

3.4.50 Our analysis will enable us to target energy performance (in association with energy consumption data) and premises where business rates are high such that a rating appeal could be considered.

3.4.51 We have analysed the building operating costs of our fire stations and developed performance 'bands' that express performance based on where each station sits in relative terms to other stations.

3.4.52 In 2014 we designated those in the top quartile of Station average cost (<£46.36 per m²) as "green" in our RAG performance framework, with those in the bottom quartile

average (>£139.06 per m²) as “red”, with the remainder as “amber”. This excludes the PFI stations where data is not available.

3.4.53 For consistency and comparability, we have retained these thresholds as absolute thresholds for performance reporting in this asset management plan.

3.4.54 Of the 33 non-PFI stations, 9 are in the “green” category, with no stations in the “red” category.

Vision 6: Inclusive and accessible (statutory compliance)

3.4.55 We seek to ensure that all of our assets are as accessible and inclusive as possible, within available budgets. We measure this in three separate ways.

- Firstly, we assess accessibility for people with disabilities in accordance with the Equalities Act. This is assessed by undertaking access audits.
- Secondly, we measure the availability of welfare facilities for female fire fighters.
- Thirdly, we measure the extent to which each asset comprises bespoke facilities for community engagement and education or shared use with voluntary sector agencies.

a. Disability access

3.4.56 We measure disability access across eight separate elements as follows:

- Parking
- Signage
- Steps & ramps
- Automated access doors
- Horizontal circulation
- Vertical circulation
- Hearing loops
- Accessible WC

3.4.57 The Service undertook Access Audits on all properties that it occupies or delivers services from in 2006/2007. From these access audits we have been able to target investment into priority areas.

b. welfare facilities

3.4.58 All of our stations now have WC and shower facilities for female fire-fighters. We are also investing in improved sleeping facilities at various stations.

c. Community facilities and shared use with voluntary sector

3.4.59 The Service has been very active in encouraging shared use of our facilities and encouraging community access. Nearly a half of all our stations have some form of shared or community use, including from local public service boards, PACT, NWAS, NHS practitioners, Police as outside organisations and community groups such as Scouts, Beavers, Guides, Cubs, Air Cadets, youth football teams and even young farmers. Many of these uses are on a regular weekly basis.

ENVIRONMENT MANAGEMENT

ENERGY PERFORMANCE

WASTE MANAGEMENT

WATER

<ul style="list-style-type: none"> • Energy conservation reducing consumption • Energy efficient systems • CO² emissions reduced • Insulating to roofs, cladding, plant, window and appliance room doors • Best practice guides • Accreditation • Education and training to all staff in energy performance and conservation 	<ul style="list-style-type: none"> • Recycling programme to segregate waste • Reduction of packaging • Review of waste removal contracts • Green clause in contracts • Reduce/avoid landfill taxes 	<ul style="list-style-type: none"> • Flush control fittings • Education and training of staff in water consumption • Fitting of automatic shower and faucet controls • New meters fitted • Comprehensive review of water storage
--	---	---

QUALITY AND FUNCTIONAL STABILITY

AMENITY

DESIGN

INTERNAL SPACE

<ul style="list-style-type: none"> • Attractive main entrance/ reception area for all users • Privacy and dignity issues addressed for male and females • Appropriate provision for disabled users at all locations • Appropriate safety and security measures • Signage is legible, visible and consistent for all property • Adequate car parking • Noise levels acceptable 	<ul style="list-style-type: none"> • Where possible natural light to be used to maximum effect • Lighting levels appropriate • Attractive and resilient finishes to floors, ceilings and walls • Functional furniture supports workplace activities • Easily maintained landscaping 	<ul style="list-style-type: none"> • Security maintained for staff, volunteers and visitors • Privacy maintained for workforce whilst retaining community interaction • Provision of good quality accommodation for use by partnerships • Joint funding with partnership agencies for accommodation within Service property • Site sharing protocols divide costs equitably • Adequate storage space
--	--	--

PHYSICAL ATTRIBUTES

BUILDING

MECHANICAL

ELECTRICAL

<ul style="list-style-type: none"> • Structure • External Fabric • Roof • Internal Fabric • Fixtures and Fittings • Drainage, Sewerage and Water Supply • External Works • Grounds and Garden 	<ul style="list-style-type: none"> • Heating System • Ventilation System • Hot & Cold Water System • Lifts & Hoists • Boilers & Calorifiers • Fixed Plant & Equipment 	<ul style="list-style-type: none"> • Electrical Distribution • Systems & Equipment • Alarms & Detection • Equipment • Fixed Plant • BEMS System • Telecommunications
---	---	---

SUSTAINABILITY

FIRE PRECAUTIONS

HEALTH AND SAFETY

<ul style="list-style-type: none"> • Compartmentation • Fire Doors • Means of Escape • Alarm & Detection Systems • Textile & Furniture Compliance with Fire Codes • Storage Segregation (where appropriate) • Complete Fire Risk Assessments at all Locations • Maintenance of Fire Extinguishers etc. 	<ul style="list-style-type: none"> • Electrical Services – supply & distribution • Asbestos (removed/controlled) • Legionella Control • Food Hygiene • Compliance with legislation (MH&SWR/COSHH/DDA) • Pressurised Systems • Surface Temperatures (existing equipment control)
--	--

**Property Performance Report
Annex B**

Premises Performance Sheets

DRAFT

Premises Name			Address	Garstang Road
Headquarters				Fulwood
Station Number	SHQ			Preston
Date Built			Post Code	PR2 3LH
Number of bays			UPRN	10007604884
Occupied bays			Easting & Northing	SD 352879 433797
Station floor area	3917	sq m	IFRS Classification	PP&E
Site area	14841	sq m	Rateable Value	151000
Tenure	Freehold			
Asset Performance			4. FUTURE PROOFING	
1. CONDITION			Flood Plain Risk	G
Condition Category	C		Surface Water Flood Risk	G
Statutory Compliance	G		Business Continuity Risk	G
			Asset Life	<15 yrs+
2. SUITABILITY			5. EFFICIENCY	
Overall Suitability	C		Building Operating Costs	£37.62
3. ENVIRONMENTAL			6. INCLUSIVITY	
Display energy Certificate	C 61		DDA compliance	No vertical circulation
Energy Consumption	188	kWh/m2/A	Female Welfare Facilities	G
Water Consumption	0.19	m3/m2/A	Community Facilities	G
Recycling Facilities	G			

Premises Name			Address	Westway
Training Centre			Euxton	
Station Number	STC		Chorley	
Date Built			Post Code	PR7 6DH
Number of bays			UPRN	10024429665
Occupied bays			Easting & Northing	SD 356684 418598
Station floor area	4987	sq m	IFRS Classification	PP&E
Site area	98464	sq m	Rateable Value	420000
Tenure	Freehold			
Asset Performance			4. FUTURE PROOFING	
1. CONDITION			Flood Plain Risk	G
Condition Category	B		Surface Water Flood Risk	G
Statutory Compliance	G		Business Continuity Risk	G
			Asset Life	25 yrs+
2. SUITABILITY			5. EFFICIENCY	
Overall Suitability	A		Building Operating Costs	£55.91
3. ENVIRONMENTAL			6. INCLUSIVITY	
Display energy Certificate	C 68		DDA compliance	No vertical circulation
Energy Consumption	245	kWh/m2/A	Female Welfare Facilities	G
Water Consumption	0.24	m3/m2/A	Community Facilities	G
Recycling Facilities	G			



Station Name	Preston Fire Station		Address	Blackpool Road Preston	
Station Number	C50		Post Code	PR1 6US	
Date Built	1962		UPRN	10013865670	
Number of bays	7		Easting & Northing	SD	355332 430857
Occupied bays	5		IFRS Classification	PP&E	
Station floor area	2358	sq m	Rateable Value	96500	
Site area	11012			sq m	
Tenure	Freehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk		
Condition Category	D		G		
Statutory Compliance			Surface Water Flood Risk		
G			G		
			Business Continuity Risk		
			G		
			Asset Life		
			<15 yrs		
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability			Building Operating Costs		
C			£45.77		
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate			DDA compliance		
Energy Consumption	C 63		No Hearing loop. No vertical circulation.		
	261	kWh/m2/A			
Water Consumption			Female Welfare Facilities		
	0.53	m3/m2/A	G		
Recycling Facilities			Community Facilities		
	G		G		



Station Name			Address	Garstang Road	
Fulwood Fire Station				Fulwood	
Station Number	C52			Preston	
Date Built	1960		Post Code	PR2 3LH	
Number of bays	2		UPRN	10007604884	
Occupied bays	2		Easting & Northing	SD 352859	433798
Station floor area	421	sq m	IFRS Classification	PP&E	
Site area	486	sq m	Rateable Value	Part of SHQ	
Tenure	Freehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk	G	
Condition Category	B		Surface Water Flood Risk	G	
Statutory Compliance	G		Business Continuity Risk	G	
			Asset Life	15-25 yrs	
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability	A		Building Operating Costs	£37.62	
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate	C 61		DDA compliance	G	
Energy Consumption	188	kWh/m2/A	Female Welfare Facilities	G	
Water Consumption	0.19	m3/m2/A	Community Facilities	R	
Recycling Facilities	G				



Station Name			Address	Whittingham Road Longridge	
Longridge Fire Station			Post Code	PR3 2AB	
Station Number	E59		UPRN	100012752304	
Date Built	1967		Easting & Northing	SD	359958 437143
Number of bays	1		IFRS Classification	PP&E	
Occupied bays	1		Rateable Value	13250	
Station floor area	157	sq m			
Site area	1849	sq m			
Tenure	Freehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk	G	
Condition Category	A		Surface Water Flood Risk	G	
Statutory Compliance	G		Business Continuity Risk	G	
			Asset Life	25 yrs+	
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability	A		Building Operating Costs	£67.79	
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate	N / A		DDA compliance	G	
Energy Consumption	323	kWh/m2/A	Female Welfare Facilities	G	
	0.68	m3/m2/A	Community Facilities	G	
Water Consumption					
Recycling Facilities	G				



Station Name	Hyndburn Fire Station		Address	Hyndburn Road Church	
Station Number	E70		Post Code	BB5 4EQ	
Date Built	2003		UPRN	10070886951	
Number of bays	4		Easting & Northing	SD	374866 428918
Occupied bays	3		IFRS Classification	PP&E	
Station floor area	1190	sq m	Rateable Value	132000	
Site area	5524	sq m			
Tenure	PFI - Leasehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk	G	
Condition Category	A		Surface Water Flood Risk	R	
Statutory Compliance	G		Business Continuity Risk	G	
			Asset Life	25 yrs+	
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability	A		Building Operating Costs	PFI	
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate	C 68		DDA compliance	G	
Energy Consumption	273	kWh/m2/A	Female Welfare Facilities	G	
Water Consumption	0.26	m3/m2/A	Community Facilities	G	
Recycling Facilities	G				



Station Name	Blackburn Fire Station		Address	Byrom Street Blackburn	
Station Number	E71		Post Code	BB2 2LE	
Date Built	2012		UPRN	100012540447	
Number of bays	3		Easting & Northing	SD	367976 427523
Occupied bays	3		IFRS Classification	PP&E	
Station floor area	1214	sq m	Rateable Value	139000	
Site area	4014	sq m			
Tenure	PFI - Leasehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk	G	
Condition Category	A		Surface Water Flood Risk	G	
Statutory Compliance	G		Business Continuity Risk	G	
			Asset Life	25 yrs+	
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability	A		Building Operating Costs	PFI	
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate	D 98		DDA compliance	G	
Energy Consumption	258	kWh/m2/A	Female Welfare Facilities	G	
Water Consumption	0.65	m3/m2/A	Community Facilities	G	
Recycling Facilities	G				



Station Name	Great Harwood Fire Station		Address	Queens Street Great Harwood	
Station Number	E72		Post Code	BB6 7AL	
Date Built	1972		UPRN	100012546999	
Number of bays	3		Easting & Northing	SD	373511 432363
Occupied bays	1		IFRS Classification	PP&E	
Station floor area	268	sq m	Rateable Value	18250	
Site area	913	sq m			
Tenure	Freehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk	G	
Condition Category	B		Surface Water Flood Risk	G	
Statutory Compliance	G		Business Continuity Risk	G	
			Asset Life	15-25 yrs	
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability	A		Building Operating Costs	£51.93	
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate	C 68		DDA compliance	G	
Energy Consumption	293	kWh/m2/A	Female Welfare Facilities	G	
Water Consumption	0.32	m3/m2/A	Community Facilities	G	
Recycling Facilities	G				



Station Name	Darwen Fire Station		Address	Union Street Darwen	
Station Number	E76		Post Code	BB3 0DA	
Date Built	1985		UPRN	100012541891	
Number of bays	2		Easting & Northing	SD	369197 422439
Occupied bays	2		IFRS Classification	PP&E	
Station floor area	962	sq m	Rateable Value	55500	
Site area	3490	sq m			
Tenure	Freehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk		
Condition Category	B		Surface Water Flood Risk		
Statutory Compliance	G		Business Continuity Risk		
			Asset Life		
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability	A		Building Operating Costs		
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate	D 83		DDA compliance		
Energy Consumption	185	kWh/m2/A	Female Welfare Facilities		
Water Consumption	0.49	m3/m2/A	Community Facilities		
Recycling Facilities	G				



Station Name		Address		Princess Street Clitheroe	
Clitheroe Fire Station					
Station Number		Post Code		BB7 2AL	
E91		UPRN		100012547665	
Date Built		Easting & Northing		SD 374565 442367	
1987		IFRS Classification		PP&E	
Number of bays		Rateable Value		26500	
2					
Occupied bays					
2					
Station floor area					
205 sq m					
Site area					
2090 sq m					
Tenure					
Freehold					
Asset Performance		4. FUTURE PROOFING			
1. CONDITION		Flood Plain Risk		G	
Condition Category		Surface Water Flood Risk		G	
B		Business Continuity Risk		G	
Statutory Compliance		Asset Life		25 yrs+	
G					
2. SUITABILITY		5. EFFICIENCY			
Overall Suitability		Building Operating Costs		£83.56	
A					
3. ENVIRONMENTAL		6. INCLUSIVITY			
Display energy Certificate		DDA compliance		G	
N / A		Female Welfare Facilities		G	
Energy Consumption		Community Facilities		G	
241 kWh/m2/A					
Water Consumption					
0.33 m3/m2/A					
Recycling Facilities					
G					



Station Name	Lancaster Fire Station		Address	Cable Street Lancaster		
Station Number	N11		Post Code	LA1 1HH		
Date Built	2018		UPRN	100012621412		
Number of bays	2		Easting & Northing	SD	347805	461966
Occupied bays	2		IFRS Classification	PP&E		
Station floor area	1207	sq m	Rateable Value	150000		
Site area	2805	sq m				
Tenure	Freehold					
Asset Performance			4. FUTURE PROOFING			
1. CONDITION			Flood Plain Risk	R		
Condition Category	A		Surface Water Flood Risk	G		
Statutory Compliance	G		Business Continuity Risk	G		
			Asset Life	25 yrs+		
2. SUITABILITY			5. EFFICIENCY			
Overall Suitability	A		Building Operating Costs	£56.31		
3. ENVIRONMENTAL			6. INCLUSIVITY			
Display energy Certificate	B 40		DDA compliance	G		
Energy Consumption	131	kWh/m2/A	Female Welfare Facilities	G		
Water Consumption	0.32	m3/m2/A	Community Facilities	G		
Recycling Facilities	G					



Station Name	Morecambe Fire Station		Address	Westgate Morecambe	
Station Number	N12		Post Code	LA4 4TA	
Date Built	2003		UPRN	10009277623	
Number of bays	4		Easting & Northing	SD	343872 463072
Occupied bays	3		IFRS Classification	PP&E	
Station floor area	1445	sq m	Rateable Value	144000	
Site area	6210	sq m			
Tenure	PFI - Leasehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk	G	
Condition Category	A		Surface Water Flood Risk	A	
Statutory Compliance	G		Business Continuity Risk	G	
			Asset Life	25 yrs+	
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability	A		Building Operating Costs	PFI	
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate	C 63		DDA compliance	G	
Energy Consumption	245	kWh/m2/A	Female Welfare Facilities	G	
Water Consumption	0.26	m3/m2/A	Community Facilities	G	
Recycling Facilities	G				



Station Name	Bolton-le-Sands Fire Station		Address	Bypass Road Bolton-le-Sands		
Station Number	N13		Post Code	LA5 8JD		
Date Built	1970		UPRN	10009272515		
Number of bays	2		Easting & Northing	SD	348170	467853
Occupied bays	1		IFRS Classification	PP&E		
Station floor area	184	sq m	Rateable Value	17250		
Site area	1886	sq m				
Tenure	Freehold					
Asset Performance			4. FUTURE PROOFING			
1. CONDITION			Flood Plain Risk	G		
Condition Category	A		Surface Water Flood Risk	G		
Statutory Compliance	G		Business Continuity Risk	G		
			Asset Life	25 yrs+		
2. SUITABILITY			5. EFFICIENCY			
Overall Suitability	A		Building Operating Costs	£57.93		
3. ENVIRONMENTAL			6. INCLUSIVITY			
Display energy Certificate	N / A		DDA compliance	G		
Energy Consumption	237	kWh/m2/A	Female Welfare Facilities	G		
Water Consumption	0.98	m3/m2/A	Community Facilities	G		
Recycling Facilities	G					



Station Name	Carnforth Fire Station		Address	Market Street Carnforth	
Station Number	N14		Post Code	LA5 9JU	
Date Built	1927		UPRN	100012627779	
Number of bays	1		Easting & Northing	SD	349813 470677
Occupied bays	1		IFRS Classification	PP&E	
Station floor area	235	sq m	Rateable Value	14500	
Site area	1010	sq m			
Tenure	Freehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk	G	
Condition Category	A		Surface Water Flood Risk	G	
Statutory Compliance	G		Business Continuity Risk	G	
			Asset Life	15-25 yrs	
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability	A		Building Operating Costs	£54.85	
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate	N / A		DDA compliance	G	
Energy Consumption	220	kWh/m2/A	Female Welfare Facilities	G	
Water Consumption	0.35	m3/m2/A	Community Facilities	G	
Recycling Facilities	G				



Station Name	Silverdale Fire Station		Address	Emsgate Silverdale	
Station Number	N15		Post Code	LA5 0RS	
Date Built	1970		UPRN	100012627283	
Number of bays	1		Easting & Northing	SD 346252	475222
Occupied bays	1		IFRS Classification	PP&E	
Station floor area	174	sq m	Rateable Value	14750	
Site area	1396	sq m			
Tenure	Freehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk	G	
Condition Category	A		Surface Water Flood Risk	G	
Statutory Compliance	G		Business Continuity Risk	G	
			Asset Life	15-25 yrs	
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability	A		Building Operating Costs	£62.38	
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate	N / A		DDA compliance	G	
Energy Consumption	193	kWh/m2/A	Female Welfare Facilities	G	
Water Consumption	0.1	m3/m2/A	Community Facilities	G	
Recycling Facilities	G				



Station Name	Hornby Fire Station		Address	Main Street Hornby	
Station Number	N16		Post Code	LA2 8JY	
Date Built	1967		UPRN	10009280413	
Number of bays	1		Easting & Northing	SD	358426 468688
Occupied bays	1		IFRS Classification	PP&E	
Station floor area	136	sq m	Rateable Value	11500	
Site area	627			sq m	
Tenure	Freehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk	G	
Condition Category	A		Surface Water Flood Risk	G	
Statutory Compliance	G		Business Continuity Risk	G	
			Asset Life	25 yrs+	
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability	A		Building Operating Costs	£57.56	
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate	N / A		DDA compliance	G	
Energy Consumption	336	kWh/m2/A	Female Welfare Facilities	G	
Water Consumption	0.22	m3/m2/A	Community Facilities	R	
Recycling Facilities	G				



Station Name			Address	Green Lane West Garstang	
Garstang Fire Station			Post Code	PR3 1NJ	
Station Number	N18		UPRN	10003532868	
Date Built	1991		Easting & Northing	SD	348826 446124
Number of bays	1		IFRS Classification	PP&E	
Occupied bays	1		Rateable Value	25750	
Station floor area	208	sq m			
Site area	2995	sq m			
Tenure	Freehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk		
Condition Category	A		Surface Water Flood Risk		
Statutory Compliance	G		Business Continuity Risk		
			Asset Life		
			25 yrs+		
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability	A		Building Operating Costs		
			£73.28		
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate	N / A		DDA compliance		
Energy Consumption	191	kWh/m2/A	Female Welfare Facilities		
Water Consumption	0.25	m3/m2/A	Community Facilities		
Recycling Facilities	G				



Station Name	Fleetwood Fire Station		Station Number	N32	Address	Radcliffe Road Fleetwood				
Date Built	2012		Post Code	FY7 6UJ		UPRN	100012617712			
Number of bays	2		Easting & Northing	SD	332980	447115				
Occupied bays	2		IFRS Classification	PP&E		Rateable Value	122000			
Station floor area	1160	sq m								
Site area	2299	sq m								
Tenure	PFI - Leasehold									
Asset Performance	1. CONDITION		Condition Category		4. FUTURE PROOFING		Flood Plain Risk			
	A				Flood Plain Risk		R			
	G				Surface Water Flood Risk		G			
Statutory Compliance	G				Business Continuity Risk		G			
					Asset Life		25 yrs+			
	2. SUITABILITY		Overall Suitability		5. EFFICIENCY		Building Operating Costs			
	A				Building Operating Costs		PFI			
	3. ENVIRONMENTAL		Display energy Certificate		6. INCLUSIVITY		DDA compliance			
	D 77				DDA compliance		G			
	222		kWh/m2/A		Female Welfare Facilities		G			
	0.19		m3/m2/A		Community Facilities		G			
Recycling Facilities	G									



Station Name	Preesall Fire Station		Address	Sandy Lane Preesall	
Station Number	N33		Post Code	FY6 0EJ	
Date Built	2010		UPRN	100012616353	
Number of bays	1		Easting & Northing	SD	336283 448093
Occupied bays	1		IFRS Classification	PP&E	
Station floor area	256	sq m	Rateable Value	29250	
Site area	860	sq m			
Tenure	Freehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk	R	
Condition Category	A		Surface Water Flood Risk	G	
Statutory Compliance	G		Business Continuity Risk	G	
			Asset Life	25 yrs+	
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability	A		Building Operating Costs	£85.95	
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate	D 80		DDA compliance	G	
Energy Consumption	169	kWh/m2/A	Female Welfare Facilities	G	
Water Consumption	0.4	m3/m2/A	Community Facilities	G	
Recycling Facilities	G				



Station Name	Bacup Fire Station		Address	Pennine Road Bacup	
Station Number	P73		Post Code	OL13 9PZ	
Date Built	1970		UPRN	100012733356	
Number of bays	2		Easting & Northing	SD	387201 422202
Occupied bays	2		IFRS Classification	PP&E	
Station floor area	343	sq m	Rateable Value	25000	
Site area	4953	sq m			
Tenure	Freehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk	G	
Condition Category	B		Surface Water Flood Risk	G	
Statutory Compliance	G		Risk		
			Business Continuity Risk	G	
			Asset Life	15-25 yrs	
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability	B		Building Operating Costs	£72.24	
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate	D 99		DDA compliance	G	
Energy Consumption	379	kWh/m2/A	Female Welfare Facilities	G	
Water Consumption	0.72	m3/m2/A	Community Facilities	G	
Recycling Facilities	G				



Station Name	Rawtenstall Fire Station		Address	Queens Square Rawtenstall	
Station Number	P74		Post Code	BB4 6AB	
Date Built	1989		UPRN	10014224792	
Number of bays	2		Easting & Northing	SD	381011 422652
Occupied bays	2		IFRS Classification	PP&E	
Station floor area	876	sq m	Rateable Value	84500	
Site area	6798	sq m			
Tenure	Freehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk	G	
Condition Category	A		Surface Water Flood Risk	G	
Statutory Compliance	G		Business Continuity Risk	G	
			Asset Life	25 yrs+	
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability	A		Building Operating Costs	£67.51	
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate	E 102		DDA compliance	G	
Energy Consumption	261	kWh/m2/A	Female Welfare Facilities	G	
Water Consumption	0.41	m3/m2/A	Community Facilities	R	
Recycling Facilities	G				



Station Name	Haslingden Fire Station		Address	Manchester Road Haslingden	
Station Number	P75		Post Code	BB4 6NL	
Date Built	1972		UPRN	100012543304	
Number of bays	1		Easting & Northing	SD	378775 422951
Occupied bays	1		IFRS Classification	PP&E	
Station floor area	147	sq m	Rateable Value	12250	
Site area	1301				
Tenure	Freehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk	G	
Condition Category	B		Surface Water Flood Risk	G	
Statutory Compliance	G		Business Continuity Risk	G	
			Asset Life	25 yrs+	
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability	B		Building Operating Costs	£59.82	
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate	N / A		DDA compliance	G	
Energy Consumption	250	kWh/m2/A	Female Welfare Facilities	G	
Water Consumption	0.32	m3/m2/A	Community Facilities	G	
Recycling Facilities	G				



Station Name	Burnley Fire Station		Address	Belvedere Road Burnley		
Station Number	P90		Post Code	BB10 3AA		
Date Built	2012		UPRN	100012536400		
Number of bays	5 + 2		Easting & Northing	SD	384845	433076
Occupied bays	5 + 2		IFRS Classification	PP&E		
Station floor area	1543	sq m	Rateable Value	153000		
Site area	6426	sq m				
Tenure	PFI - Leasehold					
Asset Performance			4. FUTURE PROOFING			
1. CONDITION			Flood Plain Risk	G		
Condition Category	A		Surface Water Flood Risk	G		
Statutory Compliance	G		Business Continuity Risk	G		
			Asset Life	25 yrs+		
2. SUITABILITY			5. EFFICIENCY			
Overall Suitability	A		Building Operating Costs	PFI		
3. ENVIRONMENTAL			6. INCLUSIVITY			
Display energy Certificate	D 88		DDA compliance	G		
Energy Consumption	209	kWh/m2/A	Female Welfare Facilities	G		
Water Consumption	0.38	m3/m2/A	Community Facilities	G		
Recycling Facilities	G					



Station Name	Padiham Fire Station		Address	Station Road Padiham	
Station Number	P92		Post Code	BB12 8EA	
Date Built	1960		UPRN	100012538984	
Number of bays	2		Easting & Northing	SD	379391 433858
Occupied bays	1		IFRS Classification	PP&E	
Station floor area	198	sq m	Rateable Value	15000	
Site area	922			sq m	
Tenure	Freehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk	R	
Condition Category	A		Surface Water Flood Risk	G	
Statutory Compliance	G		Business Continuity Risk	G	
			Asset Life	15-25 yrs	
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability	B		Building Operating Costs	£45.54	
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate	N / A		DDA compliance	G	
Energy Consumption	161	kWh/m2/A	Female Welfare Facilities	G	
Water Consumption	0.14	m3/m2/A	Community Facilities	R	
Recycling Facilities	G				



Station Name	Barnoldswick Fire Station		Address	Wellhouse Road Barnoldswick	
Station Number	P93		Post Code	BB8 6DB	
Date Built	1965		UPRN	100012539696	
Number of bays	2		Easting & Northing	SD	387897 446838
Occupied bays	1		IFRS Classification	PP&E	
Station floor area	248	sq m	Rateable Value	15000	
Site area	907			sq m	
Tenure	Freehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk	G	
Condition Category	B		Surface Water Flood Risk	G	
Statutory Compliance	G		Business Continuity Risk	G	
			Asset Life	25 yrs+	
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability	B		Building Operating Costs	£32.83	
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate	B 26		DDA compliance	G	
Energy Consumption	151	kWh/m2/A	Female Welfare Facilities	G	
Water Consumption	0.15	m3/m2/A	Community Facilities	R	
Recycling Facilities	G				



Station Name	Nelson Fire Station		Address	Bradley Road Nelson		
Station Number	P94		Post Code	BB9 7QH		
Date Built	1970		UPRN	100012550245		
Number of bays	4		Easting & Northing	SD	386157	438138
Occupied bays	2		IFRS Classification	PP&E		
Station floor area	868	sq m	Rateable Value	39250		
Site area	907	sq m				
Tenure	Freehold					
Asset Performance			4. FUTURE PROOFING			
1. CONDITION			Flood Plain Risk	A		
Condition Category	B		Surface Water Flood Risk	A		
Statutory Compliance	G		Business Continuity Risk	G		
			Asset Life	15-25 yrs		
2. SUITABILITY			5. EFFICIENCY			
Overall Suitability	B		Building Operating Costs	£30.56		
3. ENVIRONMENTAL			6. INCLUSIVITY			
Display energy Certificate	D 85		DDA compliance	G		
Energy Consumption	227	kWh/m2/A	Female Welfare Facilities	G		
Water Consumption	0.59	m3/m2/A	Community Facilities	R		
Recycling Facilities	G					



Station Name	Earby Fire Station		Address	Jago Road Earby	
Station Number	P95		Post Code	BB18 6YD	
Date Built	1981		UPRN	10090961605	
Number of bays	1		Easting & Northing	SD	390475 446147
Occupied bays	1		IFRS Classification	PP&E	
Station floor area	196	sq m	Rateable Value	22500	
Site area	2764	sq m			
Tenure	Freehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk	G	
Condition Category	A		Surface Water Flood Risk	G	
Statutory Compliance	G		Business Continuity Risk	G	
			Asset Life	25 yrs+	
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability	A		Building Operating Costs	£70.71	
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate	N / A		DDA compliance	G	
Energy Consumption	228	kWh/m2/A	Female Welfare Facilities	G	
Water Consumption	0.48	m3/m2/A	Community Facilities	R	
Recycling Facilities	G				



Station Name	Colne Fire Station		Address	Craddock Road Colne	
Station Number	P96		Post Code	BB88 0JZ	
Date Built	1981		UPRN	100012548678	
Number of bays	2		Easting & Northing	SD	389174 440028
Occupied bays	2		IFRS Classification	PP&E	
Station floor area	323	sq m	Rateable Value	17500	
Site area	1029	sq m			
Tenure	Freehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk	G	
Condition Category	B		Surface Water Flood Risk	G	
Statutory Compliance	G		Business Continuity Risk	G	
			Asset Life	15-25 yrs	
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability	A		Building Operating Costs	£52.04	
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate			DDA compliance	G	
Energy Consumption	237	kWh/m2/A	Female Welfare Facilities	G	
Water Consumption	0.44	m3/m2/A	Community Facilities	R	
Recycling Facilities	G				



Station Name	Ormskirk Fire Station		Address	County Road Ormskirk	
Station Number	S51		Post Code	L39 3LU	
Date Built	1990		UPRN	100012653956	
Number of bays	2		Easting & Northing	SD	340933 407903
Occupied bays	2		IFRS Classification	PP&E	
Station floor area	457	sq m	Rateable Value	52000	
Site area	5975	sq m			
Tenure	Freehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk	G	
Condition Category	A		Surface Water Flood Risk	G	
Statutory Compliance	G		Business Continuity Risk	G	
			Asset Life	25 yrs+	
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability	A		Building Operating Costs	£79.64	
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate	E 103		DDA compliance	G	
Energy Consumption	256	kWh/m2/A	Female Welfare Facilities	G	
Water Consumption	0.51	m3/m2/A	Community Facilities	R	
Recycling Facilities	G				

Station Name			Address	Cuerden Way Bamber Bridge	
Bamber Bridge Fire Station			Post Code	PR5 6BJ	
Station Number	S53		UPRN	100012757529	
Date Built	1998		Easting & Northing	SD	355932 425388
Number of bays	2		IFRS Classification	PP&E	
Occupied bays	2		Rateable Value	91500	
Station floor area	943	sq m			
Site area	1133	sq m			
Tenure	Freehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk	G	
Condition Category	A		Surface Water Flood Risk	G	
Statutory Compliance	G		Business Continuity Risk	G	
			Asset Life	25 yrs+	
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability	A		Building Operating Costs	£60.84	
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate	C 59		DDA compliance	G	
Energy Consumption	168	kWh/m2/A	Female Welfare Facilities	G	
Water Consumption	0.52	m3/m2/A	Community Facilities	R	
Recycling Facilities	G				



Station Name	Chorley Fire Station		Address	Westway Euxton Chorley	
Station Number	S54		Post Code	PR7 6DH	
Date Built	2013		UPRN	10024429665	
Number of bays	3		Easting & Northing	SD	356689 418600
Occupied bays	2		IFRS Classification	PP&E	
Station floor area	1385	sq m	Rateable Value	Part of STC	
Site area	3303	sq m			
Tenure	PFI - Leasehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk	G	
Condition Category	A		Surface Water Flood Risk	G	
Statutory Compliance	G		Business Continuity Risk	G	
			Asset Life	25 yrs+	
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability	A		Building Operating Costs	PFI	
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate	C 59		DDA compliance	G	
Energy Consumption	124	kWh/m2/A	Female Welfare Facilities	G	
Water Consumption	0.11	m3/m2/A	Community Facilities	G	
Recycling Facilities	G				

Station Name			Address	Broadfield Drive Leyland	
Leyland Fire Station			Post Code	PR25 1LB	
Station Number	S55		UPRN	10033056256	
Date Built	1960		Easting & Northing	SD	353671 421973
Number of bays	2		IFRS Classification	PP&E	
Occupied bays	1		Rateable Value	26750	
Station floor area	367	sq m			
Site area	4802	sq m			
Tenure	Freehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk		
Condition Category	B		Surface Water Flood Risk		
Statutory Compliance	G		Business Continuity Risk		
			Asset Life		
			25 yrs+		
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability	B		Building Operating Costs		
			£60.75		
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate	C 69		DDA compliance		
Energy Consumption	254	kWh/m2/A	Female Welfare Facilities		
Water Consumption	0.68	m3/m2/A	Community Facilities		
Recycling Facilities	G				



Station Name	Skelmersdale Fire Station		Address	Tanhouse Road Skelmersdale	
Station Number	S56		Post Code	WN8 9NN	
Date Built	1970		UPRN	100012822123	
Number of bays	3		Easting & Northing	SD	349259 405483
Occupied bays	2		IFRS Classification	PP&E	
Station floor area	870	sq m	Rateable Value	45500	
Site area	3169	sq m			
Tenure	Freehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk	G	
Condition Category	B		Surface Water Flood Risk	G	
Statutory Compliance	G		Business Continuity Risk	G	
			Asset Life	25 yrs+	
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability	B		Building Operating Costs	£39.89	
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate	D 97		DDA compliance	G	
Energy Consumption	248	kWh/m2/A	Female Welfare Facilities	G	
Water Consumption	0.25	m3/m2/A	Community Facilities	R	
Recycling Facilities	G				

Station Name			Address	Leyland Road Penwortham	
Penwortham Fire Station			Post Code	PR1 9QD	
Station Number	S57		UPRN	10033050914	
Date Built	1930		Easting & Northing	SD	353216 427797
Number of bays	2		IFRS Classification	PP&E	
Occupied bays	2		Rateable Value	38000	
Station floor area	632	sq m			
Site area	707	sq m			
Tenure	Freehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk	A	
Condition Category	B		Surface Water Flood Risk	A	
Statutory Compliance	G		Business Continuity Risk	G	
			Asset Life	15-25 yrs	
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability	B		Building Operating Costs	£30.92	
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate	F 138		DDA compliance	G	
Energy Consumption	224	kWh/m2/A	Female Welfare Facilities	G	
Water Consumption	0.5	m3/m2/A	Community Facilities	R	
Recycling Facilities	G				



Station Name	Tarleton Fire Station		Address	Hesketh Lane Tarleton		
Station Number	S58		Post Code	PR4 6UB		
Date Built	1969		UPRN	10012348201		
Number of bays	1		Easting & Northing	SD	345240	420792
Occupied bays	1		IFRS Classification	PP&E		
Station floor area	170	sq m	Rateable Value	15750		
Site area	1041	sq m				
Tenure	Freehold					
Asset Performance			4. FUTURE PROOFING			
1. CONDITION			Flood Plain Risk	G		
Condition Category	A		Surface Water Flood Risk	G		
Statutory Compliance	G		Business Continuity Risk	G		
			Asset Life	15-25 yrs		
2. SUITABILITY			5. EFFICIENCY			
Overall Suitability	A		Building Operating Costs	£70.26		
3. ENVIRONMENTAL			6. INCLUSIVITY			
Display energy Certificate	N / A		DDA compliance	G		
Energy Consumption	231	kWh/m2/A	Female Welfare Facilities	G		
Water Consumption	0.54	m3/m2/A	Community Facilities	R		
Recycling Facilities	G					



Station Name			Address	Forest Gate Blackpool
Blackpool Fire Station				
Station Number	W30		Post Code	FY3 9RA
Date Built	1987		UPRN	10000870472
Number of bays	3		Easting & Northing	SD 332273 436273
Occupied bays	3		IFRS Classification	PP&E
Station floor area	1356	sq m	Rateable Value	107000
Site area	6920	sq m		
Tenure	Freehold			
Asset Performance			4. FUTURE PROOFING	
1. CONDITION			Flood Plain Risk	G
Condition Category	B		Surface Water Flood Risk	G
Statutory Compliance	G		Business Continuity Risk	G
			Asset Life	25 yrs+
2. SUITABILITY			5. EFFICIENCY	
Overall Suitability	A		Building Operating Costs	£58.28
3. ENVIRONMENTAL			6. INCLUSIVITY	
Display energy Certificate	C 70		DDA compliance	No Hearing loop
Energy Consumption	298	kWh/m2/A	Female Welfare Facilities	G
Water Consumption	0.56	m3/m2/A	Community Facilities	R
Recycling Facilities	G			



Station Name	Bispham Fire Station		Address	Redbank Road Bispham		
Station Number	W31		Post Code	FY2 9EA		
Date Built	1966		UPRN	10000869779		
Number of bays	2		Easting & Northing	SD	331317	439993
Occupied bays	1		IFRS Classification	PP&E		
Station floor area	757	sq m	Rateable Value	33500		
Site area	2079					
Tenure	Freehold					
Asset Performance			4. FUTURE PROOFING			
1. CONDITION			Flood Plain Risk			
Condition Category	B		Surface Water Flood Risk			
Statutory Compliance	G		Risk			
			Business Continuity Risk			
			Asset Life			
			15-25 yrs			
2. SUITABILITY			5. EFFICIENCY			
Overall Suitability			Building Operating Costs			
			£25.45			
3. ENVIRONMENTAL			6. INCLUSIVITY			
Display energy Certificate	D 91		DDA compliance			
Energy Consumption	147	kWh/m2/A	Female Welfare Facilities			
Water Consumption	0.28	m3/m2/A	Community Facilities			
Recycling Facilities	G		R			



Station Name	Wesham Fire Station		Address	Fleetwood Road Wesham	
Station Number	W34		Post Code	PR4 3AD	
Date Built	1992		UPRN	100012835159	
Number of bays	1		Easting & Northing	SD	341566 433415
Occupied bays	1		IFRS Classification	PP&E	
Station floor area	208	sq m	Rateable Value	26000	
Site area	1692	sq m			
Tenure	Freehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk	G	
Condition Category	A		Surface Water Flood Risk	G	
Statutory Compliance	G		Business Continuity Risk	G	
			Asset Life	25 yrs+	
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability	A		Building Operating Costs	£76.82	
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate	N / A		DDA compliance	G	
Energy Consumption	240	kWh/m2/A	Female Welfare Facilities	G	
Water Consumption	0.29	m3/m2/A	Community Facilities	G	
Recycling Facilities	G				



Station Name	Lytham Fire Station		Address	Station Road Lytham	
Station Number	W35		Post Code	FY8 5DJ	
Date Built	1966		UPRN	10023483335	
Number of bays	2		Easting & Northing	SD	336987 427312
Occupied bays	1		IFRS Classification	PP&E	
Station floor area	185	sq m	Rateable Value	15000	
Site area	1181				
Tenure	Freehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk	R	
Condition Category	B		Surface Water Flood Risk	G	
Statutory Compliance	G		Business Continuity Risk	G	
			Asset Life	25 yrs+	
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability	A		Building Operating Costs	£53.64	
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate	N / A		DDA compliance	G	
Energy Consumption	238	kWh/m2/A	Female Welfare Facilities	G	
Water Consumption	0.24	m3/m2/A	Community Facilities	R	
Recycling Facilities	G				



Station Name		Address		St Andrew's Road North	
St Annes Fire Station				St Annes	
Station Number		Post Code		FY8 2JQ	
W36		UPRN		100010410347	
Date Built		Easting & Northing		SD 331970 429307	
1985		IFRS Classification		PP&E	
Number of bays		Rateable Value		78000	
2					
Occupied bays					
2					
Station floor area		sq m			
884					
Site area		sq m			
2736					
Tenure					
Freehold					
Asset Performance		4. FUTURE PROOFING			
1. CONDITION		Flood Plain Risk		G	
Condition Category		Surface Water Flood Risk		G	
A		Risk			
Statutory Compliance		Business Continuity Risk		G	
G		Asset Life		25 yrs+	
2. SUITABILITY		5. EFFICIENCY			
Overall Suitability		Building Operating Costs		£63.00	
A					
3. ENVIRONMENTAL		6. INCLUSIVITY			
Display energy Certificate		DDA compliance		G	
C 66		Female Welfare Facilities		G	
Energy Consumption		Community Facilities		G	
221					
Water Consumption					
0.55					
kWh/m2/A					
m3/m2/A					
Recycling Facilities					
G					



Station Name	South Shore Fire Station		Address	St Anne's Road Blackpool	
Station Number	W37		Post Code	FY4 3AP	
Date Built	1973		UPRN	10000868233	
Number of bays	2		Easting & Northing	SD	331369 433932
Occupied bays	2		IFRS Classification	PP&E	
Station floor area	748	sq m	Rateable Value	46500	
Site area	2498	sq m			
Tenure	Freehold				
Asset Performance			4. FUTURE PROOFING		
1. CONDITION			Flood Plain Risk	G	
Condition Category	B		Surface Water Flood Risk	G	
Statutory Compliance	G		Business Continuity Risk	G	
			Asset Life	15-25 yrs	
2. SUITABILITY			5. EFFICIENCY		
Overall Suitability	B		Building Operating Costs	£56.34	
3. ENVIRONMENTAL			6. INCLUSIVITY		
Display energy Certificate	D 86		DDA compliance	G	
Energy Consumption	218	kWh/m2/A	Female Welfare Facilities	G	
Water Consumption	0.74	m3/m2/A	Community Facilities	G	
Recycling Facilities	G				



Lancashire Fire and Rescue Service

4. 5-year Action Plan

5-year Action Plan: This fourth document pulls together the three other documents to provide an analysis of where the gaps are and an Action Plan against which progress will be measured. At this stage we would expect this document to have a life of up to 5 years, with annual review of milestones.

CONTENTS

- 4 5-year Action Plan**
- 4.1 What the assets are
- 4.2 What is expected of them
- 4.3 How they are performing
- 4.4 Performance shortfalls
- 4.5 Priorities for intervention
- 4.6 Resources Analysis
- 4.7 Action Plan
- 4.8 Monitoring & Review arrangements

4 Property Asset Management Plan

4.1 What the assets are

4.1.1 Some of the principal property assets owned by LFRS include:

The current property asset base comprises

- Service Headquarters
- Service Training Centre
- 39 stations
 - 7 Whole Time (including 2 retained) stations
 - 17 Retained stations
 - 4 Day Crew (including 1 Retained)
 - 11 Day Crew Plus (DCP) (including 8 Retained)
- USAR
- 1 lease granted to Prince's Trust

4.2 What is expected of them (see Property Policy Framework)

4.2.1 Asset Vision

4.2.2 Our vision for our property portfolio is that it should be:

- Maintained in a good state of repair
- Fit for purpose
- Future proof
- Environmentally sustainable
- Efficient in use and cost
- Inclusive and accessible

4.3 How they are performing (see Property Performance Report)

4.3.1 In terms of elements of asset performance that have been previously measured, we can demonstrate some strong improvement in both state of repair and overall suitability grading. With planned targeted investment we have strong confidence that we will be largely meeting our performance targets in these two areas over the life of this asset management plan.

4.4 Performance shortfalls

4.4.1 Despite considerable progress over recent years, there remain specific challenges that we need to address, in particular options surrounding SHQ and Preston Fire Station.

Service HQ

4.4.2 The current problems with SHQ include:

- Traditional main building supplemented over a number of years by additional buildings, including some of a temporary nature
- Poor layout
- Poor disabled access beyond ground floor
- Accommodation allocated on best fit rather than functional requirements
- Alternative use value (market value) is considerably in excess of the existing use value for balance sheet purposes and the site has been changed from employment to housing in the local plan.

4.4.3 In June 2019 we identified a range of options for a replacement HQ facility, which has variable impacts on the existing HQ site, Fulwood station and the Training Centre. These options are currently being considered and costed, so that business cases can be developed. Since the 2014 asset management plan the Control Room has been moved

to the new Control facility at Warrington, which provides improved deliverability options on the HQ site.

4.4.4 Any business case will consider the following:-

- To improve operational acceptability of SHQ, accommodation including suitable meeting and conferencing facilities.
- Enhance the effective use of space by the rationalisation of the SHQ estate.
- Creation of a building that improves accessibility to building users.
- Provide a safe and healthy working environment that supports Lancashire Fire and Rescue Service's diverse workforce and its visitors.
- To create a building layout which will enable a greater level of synergy between departments.
- Improved business continuity arrangements at SHQ through a more resilient building infrastructure.
- To create a well-designed building which aims to have minimal impact on the environment.

4.4.5 The options being considered are set out over the page:

OPTION	DESCRIPTION
1	No major project, and continue the ongoing maintenance of the existing site as is.
2	Refurbishment of the existing facilities on the site, with demolition of any facilities not currently used
3	Demolish the facilities on the current site and rebuild new on the current site, disposing of any surplus land
4	Relocate to the fire training centre site at Washington Hall, Chorley
5	Relocate to the fire training centre site at Washington Hall, demolishing the existing office and classroom facility known as Lancaster House (Washington Hall) and construct a new combined scheme
6	Relocate to the Police HQ

4.4.6 A budget of £8.0m has been included in the draft capital programme for this, although this is subject to a Business Case and long term affordability.

Preston

4.4.7 The current problems with Preston Fire Station include:

- Reroofing required
- It is expensive to heat and the heating plant and pipework is not in zones
- Re-wiring required
- Size and layout does not lend itself to refurbishment for modern fire service needs
- Many small and inefficient outbuildings
- There is a great deal of empty space due to changes in operational practices and this is likely to increase in the future
- There is no community room
- There is no lift access to the first floor and poor disability access generally

4.4.8 Options to address this include refurbishment, replacement either on site or on a suitable alternative location. These options are currently being considered and costed, so that business cases can be developed A budget of £8.0m has been included in the draft capital programme for this, although this is subject to a Business Case and long term affordability.

4.5 Priorities for intervention

- Target investment into remaining assets in order to deliver planned improvements to overall condition and suitability of assets.
- Re-provision of the SHQ, potentially on an alternative site with the proceeds from the disposal of the existing site being used as a contribution towards build costs.
- Re-provision of the Preston Fire Station.
- STC enhancements to include a new workshop and BA School.
- Develop a drill tower replacement strategy and commence replacement programme.
- Enhance welfare/sleeping accommodation to ensure it is fit for purpose at all stations.
- Undertake detailed analysis of energy and water consumption data in order to understand the patterns of performance and set challenging performance targets.
- Undertake detailed analysis of energy and water consumption data in order to understand the patterns of performance and set challenging performance targets.
- Undertake an investigation into whether sites are viable for sharing with other agencies.

State of repair

4.5.1 Our planned spend for next 5 years is as follows:

	2020/21	2021/22	2022/23	2023/24	2024/25
Planned Maintenance & service contracts	£0.8m	£0.9m	£0.9m	£0.9m	£0.9m
Capital projects	£5.4m	£4.7m	£6.6m	£4.2m	£2.7m
TOTAL	£6.2m	£5.6m	£7.5m	£5.1m	£3.6m

4.5.2 The large capital items in this programme are:-

- £4m in 2020/2021 relating to the fleet workshop/trainer facilities at STC
- £8m in 2021-2023 relating to the rebuilding of Preston station
- £8m in 2022-2025 relating to the relocation/replacement of SHQ

4.6 Resources Analysis

4.6.1 The Service's current Property function operates within tight financial and resource constraints, and this demands that projects are prioritised in order to make best use of resources available.

4.7 Action Plan

4.7.1 As we move forward with the further development of our performance management framework we are likely to identify areas of under-performance that will need to be addressed over the coming years.

4.7.2 Until we know where those areas of under-performance are we are not able to include specific detailed programmes within our 5-year Action Plan. However, during the refresh of the Action Plan additional programmes and projects will be included, based upon addressing any under-performance identified. Our 5-year Action Plan is set out below.

ASSET MANAGEMENT ACTION PLAN							
No	ACTION	OBJECTIVE	2020/21	2021/22	2022/23	2023/24	2024/25
1	Continue property investment programme	Improve state of repair of property assets	Planned maintenance and service contract spend as per Property spend profile	Planned maintenance and service contract spend as per Property spend profile	Planned maintenance and service contract spend as per Property spend profile	Planned maintenance and service contract spend as per Property spend profile	Planned maintenance and service contract spend as per Property spend profile
2	Continue property investment programme	Improve suitability of property assets	Construction of extension to fleet garage training facility Develop drill tower strategy and implement outcomes, including provision of a training hub at Morecambe Enhanced welfare/sleeping facilities	Implement drill tower replacement strategy	Implement drill tower replacement strategy	Implement drill tower replacement strategy	Implement drill tower replacement strategy
3	Develop further partnership working	Build on existing relationships with key partners and improve service outcomes	Amend Morecambe station to enable site sharing with NWAS				
4	Re-provision of SHQ	Reduce property running costs and maintenance liability and improve staff accommodation	Finalise option appraisal and business case development	Commence phased implementation of selected option, dependent upon market conditions	Construction	Construction	Construction
5	Re-provision of Preston Fire Station	Reduce property running costs and maintenance liability and improve staff accommodation and disabled access	Develop option appraisal and business case	Commence phased implementation of selected option, dependent upon market conditions	Construction	Construction	

4.8 Monitoring & Review arrangements

- 4.8.1 This 5-year Action Plan will be monitored against our milestones and reported to the Director of Corporate Services on an annual basis.
- 4.8.2 The Plan will be reviewed in 5 years, at which point we will take stock of progress and achievements so far and re-cast our action plan taking into account any policy changes or additional financial constraints arising as a consequence of future spending reviews.
- 4.8.3 Should significant changes to the organisational or performance arrangements of LFRS, or other significant changes occur that either restrict funding or result in changes to corporate objectives this Action Plan will be reviewed before that date.

DRAFT

**LANCASHIRE COMBINED FIRE AUTHORITY
RESOURCES COMMITTEE**

Meeting to be held on 23 September 2020

**FINANCIAL MONITORING 2020/21
(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 2020/21 revenue and capital budgets and performance against savings targets.

Recommendation

Resources Committee is requested to note and endorse the financial position.

Information

Revenue Budget

The overall position as at the end of June shows an underspend of £0.3m, largely as a result of reduced spend during the first quarter, due to the Covid-19 pandemic as planned expenditure was not progressed. This position has continued throughout quarter two, and although we are currently discussing with budget holders what impact this could have on their end of year budgetary position, clearly this will have significant impacts on the outturn position for 2020/21.

In terms of the year end forecast, an initial forecast based on trends and budget holder discussions is being worked through and will be reported at the next meeting.

The year to date 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 June	Reason
	£'000	
Service Delivery	(68)	The underspend for the first quarter largely relates to the reduced activity levels, in particular for car allowances and smoke detector purchases.
Covid-19	-	We received a further £1.1m S31 grant in May 2020, in addition to the £0.3m received in March, taking the total funding received to £1.4m. We have spent £0.9m to date, comprising PPE, cleaning and decontamination equipment and ICT hardware/software. The balance is held in an earmarked reserve.

Training & Operational Review	(30)	The current underspend largely relates to training courses expected to take place during the quarter, it seems unlikely that these can be caught up before the end of the financial year.
Information Technology	(90)	In addition to the pandemic impacts on business as usual spending, savings from the phased introduction of the new Wide Area Network occur in the quarter where we have the first three months service free of charge whilst the network is fully implemented.
Property	(95)	The underspend position relates to planned premises repairs and maintenance, which could not be carried out and this has continued into the second quarter.
Wholetime Pay (including associate trainers)	(50)	In anticipation of reduced staffing levels due to the pandemic 16 existing On Call staff who had been successful in the Wholetime recruitment campaign and who were initially due to commence on the recruits course in September were allowed to commence riding Wholetime appliances in May. This will cease once they commence on the recruits course in September. The additional cost of this is offset by additional 8 early leavers since the budget was initially set. In addition vacant posts are effectively budgeted at Firefighter rates, however there are a number of vacancies within TOR, Fire Safety and Service Development at higher grades, resulting in a further underspend.
RDS Pay	135	The overspend reflects activity related payments for the first three months, which can be attributed to several moorland fire incidents during the period, a 36% higher activity level than the corresponding quarter last year. We will monitor the situation over the coming months and update in due course.
Support staff (less agency staff)	(51)	The underspend to date relates to vacant posts across various departments, which are in excess of the vacancy factor built into the budget. Due to the cessation of recruitment activity due to the pandemic, it is unknown when these posts might be filled, however it is clear there will be an underspend by the end of the financial year. Note agency staff costs to date of £16k are replacing vacant support staff roles, this accounts for less than 1% of total support staff costs. Note – following on from November 2019 Resources Committee approval, in April we prepaid three years' worth of LGPS employers contributions in order to save £36k over the three year period. These will be spread over the three years for budget monitoring purposes.

The Home Office has issued a guidance note on the treatment of ‘Immediate Detriment’ cases in respect of the Firefighters’ Pension Scheme arising from the McCloud / Sargeant ruling. This guidance sets out the basis when an employer will be allowed to have their pension calculated on the basis of both the 92 scheme and the 2015 scheme and will be allowed to opt for the most beneficial outcome. The details within the guidance are still being reviewed/consulted on however it is worth highlighting that within the guidance it states that It will be for each employing Fire and Rescue Authority (FRA) to recalculate the contributions that they, as the employer, should have paid under the legacy scheme for each member and pay any shortfall into their pension fund account. Hence for anyone who has previously transferred into the 2015 scheme but who now retires as if from the 92 scheme there will be a shortfall in employer (and employee) contributions. It had always been assumed that any such shortfall would be covered under the next scheme valuation or would be covered by additional grant from the Government. Potentially this position has changed and this could result in a significant additional cost in the current and future years.

Capital Budget

The Capital budget for 2020/21 was agreed at £10.8m. As highlighted in the Capital Outturn Report (elsewhere on the agenda) an additional £0.6m of slippage is required, giving a revised programme of £11.4m.

Following a review of the anticipated cost and utilisation of the proposed Area Based Training Hub we have agreed to put this project on hold, as it was felt that there was limited evidence that on-going usage would warrant a £0.5m investment. As such the current Programme for 2020/21 stands at £10.9m.

There has been very little spend against the resultant 2020/21 programme, just £0.4m, as departments have been dealing with the impacts of the ongoing pandemic. We are currently reviewing the impact of the pandemic on anticipated in-year spend, with a view to reporting this at the next Committee meeting, but it is clear that there will be significant slippage again this year. The current position against the programme is set out below, with further details in Appendix 2: -

Pumping Appliances	<p>The budget allows for the remaining stage payments for 7 pumping appliances for the 2018/19 programme, the phased delivery of which are anticipated between August and October.</p> <p>In addition, the budget allows for the purchase of 3 pumping appliances for the 2019/20 programme, and 2 pumping appliances fir the 2020/21 programme, all of which have been delayed pending consideration of the specification.</p>
Other vehicles	<p>This budget allows for the replacement of various operational support vehicles, the most significant of which are:</p> <ul style="list-style-type: none"> • Two Command Support Units (CSU), the requirements are still being finalised with Service Delivery prior to undertaking a procurement exercise;

	<ul style="list-style-type: none"> • One Water Tower; • One Aerial Ladder Platform; • One all-terrain vehicle <p>In addition to these, the budget allows for various support vehicles which are reviewed prior to replacement.</p>
Operational Equipment/Future Firefighting	<p>This budget allows for completion of the kitting out of three reserve pumping appliances, in addition to providing a £50k budget for innovations in fire-fighting to be explored.</p> <p>This budget also allows for the progression of CCTV on pumping appliances.</p>
Building Modifications	<p>This budget allows for:</p> <ul style="list-style-type: none"> • Provision of a new workshop, BA Recovery and Trainer facility at STC. We have completed design work and are in discussion with Chorley BC relating to planning permissions. We have selected a procurement framework and have appointed a contractor/partner to take designs forward to tender; • Explore NWAS co-location at Morecambe; • Based on the latest stock condition survey, several stations have had identified upgrades to dormitory and shower facilities, the actual timing of works will vary depending on Property department capacity to deliver the works; • We have included budgetary provision for a drill tower replacement plan, and will seek to replace a notional 2 towers per year over the 5 year programme.
IT systems	<p>The majority of the capital budget relates to the national Emergency Services Mobile Communications Project (ESMCP), to replace the Airwave wide area radio system and the replacement of the station end mobilising system. The ESMCP project budget, £1.0m, is offset by anticipated grant, however the timing of both expenditure and grant is dependent upon progress against the national project. This national project has suffered lengthy delays to date.</p> <p>The balance of the budget relates to the replacement of various systems, in line with the ICT asset management plan. Whilst procurement work is on-going to facilitate the replacement of some of these systems in the current year, we are still reviewing the need to replace others. Hence further updates on progress will confirm which replacements are being actioned in the current year and anticipated spend profiles.</p>

The committed costs to date will be met by revenue contributions.

Delivery against savings targets

The following table sets out the savings targets identified during the budget setting process, hence removed from the 2020/21 budget, and performance to date against this target: -

	Annual Target	Target at end of June	Savings at end of June
	£m	£m	£m
Staffing, including post reductions plus management of vacancies	0.054	0.014	0.014
Draw down apprenticeship levy	0.215	0.054	0.051
Reduction in general reserve & unidentified savings target budgets	0.240	0.060	0.060
Reduction in Property utilities/rates budgets	0.085	0.021	0.015
Reduction in smoke detector purchase budgets	0.033	0.008	0.038
Procurement savings (these are savings on contract renewals, such as energy and laundry of fire kit contracts)	0.020	0.005	0.024
Balance – cash limiting previously underspent non pay budgets	0.093	0.023	0.023
Total	0.740	0.185	0.225

The performance to date is ahead of target, largely due to savings in respect of smoke detectors and Procurement savings. It is anticipated that we will meet our savings target for the financial year.

Financial Implications

As outlined in the report

Business Risk Implications

None

Environmental Impact

None

Equality and Diversity Implications

None

Human Resource Implications

None

Local Government (Access to Information) Act 1985

List of Background Papers

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

APPENDIX 1

BUDGET MONITORING STATEMENT JUN 2020	Total Budget	Budgeted Spend to Jun 2020	Actual Spend to Jun 2020	Variance O/Spend (U/Spend)	Variance Pay	Variance Non-Pay
	£000	£000	£000	£000	£000	£000
Service Delivery						
Service Delivery	35,170	9,145	9,306	161	228	(68)
Covid-19	-	-	0	0	-	0
Training & Operational Review	3,782	1,040	951	(89)	(58)	(30)
Control	1,214	1,214	1,214	0	-	0
Youth Engagement (inc PTV)	22	157	154	(3)	-	(3)
Special Projects	13	3	1	(2)	-	(2)
Strategy & Planning						
Fleet & Technical Services	2,822	832	813	(19)	(6)	(13)
Information Technology	2,626	386	295	(90)	(1)	(90)
Digital Transformation	307	49	24	(24)	(24)	-
Service Development	4,284	1,119	1,042	(78)	(80)	3
People & Development						
Human Resources	651	154	152	(2)	3	(5)
Occupational Health Unit	241	57	44	(14)	(4)	(10)
Corporate Communications	314	77	48	(29)	(14)	(15)
Safety Health & Environment	234	51	50	(1)	2	(3)
Corporate Services						
Executive Board	1,058	296	300	4	2	2
Central Admin Office	807	194	167	(27)	(24)	(4)
Finance	142	35	39	4	4	0
Procurement	892	433	439	6	10	(3)
Property	1,831	515	407	(108)	(13)	(95)
External Funding	-	(19)	(21)	(2)	0	(2)
Pay						
TOTAL DFM EXPENDITURE	56,409	15,736	15,424	(312)	26	(338)
Non DFM Expenditure						
Pensions Expenditure	1,309	543	545	2	-	2
Other Non-DFM Expenditure	(379)	(2,508)	(2,498)	9	2	7
NON-DFM EXPENDITURE	930	(1,965)	(1,954)	12	2	10
TOTAL BUDGET	57,339	13,771	13,471	(300)	28	(328)

CAPITAL BUDGET 2020/21	Revised Programme	Resources Sept	Revised Programme	Committed Exp
Vehicles				
Pumping Appliance	1.398	-	1.398	0.318
Other Vehicles	2.280	-	2.280	0.054
	3.678	-	3.678	0.372
Operational Equipment				
Operational Equipment	0.177	-	0.177	-
	0.177	-	0.177	-
Buildings Modifications				
STC Workshop	4.200	-	4.200	0.015
NWAS Co-location - Morecambe	0.132	-	0.132	-
Area training hub - Morecambe	0.468	(0.468)	-	-
Enhanced station facilities	0.625	-	0.625	-
Drill tower replacements	0.200	-	0.200	-
	5.625	(0.468)	5.157	0.015
ICT				
IT Systems	1.895	-	1.895	-
	1.895	-	1.895	-
Total Capital Requirement	11.375	(0.468)	10.907	0.387
Funding				
Capital Grant	1.000	-	1.000	-
Revenue Contributions	2.150	-	2.150	0.387
Earmarked Reserves	-	-	-	-
Capital Reserves	8.225	(0.468)	7.757	0.000
Total Capital Funding	11.375	(0.468)	10.907	0.387

LANCASHIRE COMBINED FIRE AUTHORITY

RESOURCES COMMITTEE

Meeting to be held on 23 September 2020

FIREFIGHTER PENSION SCHEME TRANSITION PROTECTION CONSULTATION

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

Tel: 01772866804

Executive Summary

The Home Office has issued a consultation document on proposals to address the adverse discriminatory finding by the High Court in respect of the Firefighters pension schemes. The consultation includes a number of unfunded schemes and is not limited to the firefighter schemes (Police, Teachers and NHS schemes are included but LGPS is subject to a separate consultation).

The consultation period ends on 11 October 2020. The proposals provide a suggested remedy to the detriment suffered by employees following the High Court decision and is far reaching in its scope. LPP as our pension administrators will be responding in respect of their position. As will the Director of People and Development (DoPD) as the designated Pension Scheme Manager for Lancashire Fire & Rescue Service in respect of the consultation covering the detailed questions. Members are asked to consider if they wish to respond to any of the points in the consultation.

Recommendation

The Resources Committee is asked to consider the report and:

- 1) Determine if they wish to respond
- 2) Determine the points they wish to respond on
- 3) If a response is desired delegate the Chairman to agree a draft prepared following this discussion.

Information

In April 2015 a new firefighters pension scheme commenced replacing the 1992 and 2006 schemes. The Government's original proposals were to address the rising cost of the legacy schemes to the public purse, ensuring sustainability whilst still providing appropriate pensions. The main changes were an alteration from a final salary to a career average scheme with an increased normal pension age and the introduction of a cost control mechanism.

It was always clear that the structure of the 1992 scheme was superior to the 2015 scheme, although the contribution rates were higher.

As part of the 2015 reforms, those within 10 years of retirement remained in the legacy scheme with tapered protection being given for individuals within a further 4 years of their retirement date. The protection was given following negotiations with the FBU and was intended to give protection and certainty to people who were close

to retirement. After introduction the FBU undertook court proceedings arguing that the transition protection was age discriminatory.

In December 2018 the Court of Appeal found that the transition protection unlawfully discriminated against younger members of the judicial (who also undertook court action) and firefighters. The Courts required that this unlawful discrimination be remedied by the Government. The Government extended their remedy proposals to include all public sector schemes and employees

The consultation document sets out the Governments proposals for remedy.

Scope

The proposals apply to all members of the 2015 scheme who were in employment before 31 March 2012 and also on or after 1 April 2015 including those with a qualifying break in service of less than 5 years. An individual would not be required to submit a legal claim. Any new entrant after 31 March 2012 is excluded. Until the 2015 scheme was live they were placed in 2006 scheme.

The Government proposes that all eligible members would be given the choice of which set of scheme benefits is better for them for the period 1/4/2015 to 31/3/2022.

The basis for this option is that depending on an individual's personal circumstances (in particular their earnings progression), overall in the public sector many members are likely to be better off in the reformed schemes. The Government is proposing to therefore allow individuals to have a choice rather than move everyone back into their legacy scheme. In Fire Service terms except in very unusual circumstances, it is highly unlikely that the 2015 benefits are better than their 1992 benefits over this period, but it becomes more likely comparing the 2006 with 2015 scheme benefits.

Documents

Appendix A - Briefing note provided by HM treasury to individuals - - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/900766/Public_Service_Pensions_Consultation.pdf

Appendix B - the consultation questions - <http://fpsregs.org/images/Age-discrimination/Public-Service-Pensions-Consultation-questions.pdf>

Commentary on Proposals

The Home Office have issued a single consultation document covering a number of pension schemes whereas in reality the implications for the Police and Fire schemes are significantly different and in many instances more clear cut than other schemes.

The consultation requests comments on 24 questions, many of which are detailed in application. This is why it is suggested that the DoPD also replies to cover these points.

Extending the transitional protection arrangements until 1/4/2022 to all staff seems the logical and sensible route. The caveat to this is that the necessary ICT solutions and other administrative activity might not be completed by then.

The key questions are:

1. Funding of the remedy
2. Which option - Immediate / deferred choice
3. Potential additional discrimination being created
4. Taxation
5. Communication of the impacts and options available

Funding of the Remedy

Although comments are not requested on this aspect it is felt that the following points should be made:-

The costs associated with this remedy will be significant, and will include system development, additional pension administration (out with any existing contractual arrangement) and considerable in house service guidance and administration. This is on top of an ever increasing administrative burden driven by pension regulation.

The need for a remedy was the Government concluding with the FBU a transition commitment which gave rise to the discriminatory effect. In effect the new schemes were a government initiative which we had to implement. As Pension Scheme Manager - The CFA had no choice but to administer the scheme in accordance with the statutory instruments. The LGA currently has a hearing listed at the Court of Appeal arguing that the Government should be liable for any costs arising from and this is not a burden that should fall on the Fire Authorities.

In short "How will the costs of remedy be covered?"

Immediate / deferred choice

The main question posed in the consultation is should individuals make an immediate choice (asap after April 2022) or be allowed to make their choice when they retire.

In this context removing the discrimination is achieved by allowing every individual the same time frame for protection and then removing the protection hence April 2022 (and is accepted by the government as the need). A more contentious alternative would have been to withdraw the protection when the outcome of the court case was known or the claim made. The Government's wish not to allow an individual to be disadvantaged by being withdrawn from a better scheme is also accepted.

But the proposal seems overly complicated and risk averse and will cause greater problems than the alternative of making an option soon after 1/4/22 as to which scheme is considered appropriate.

Whilst the workload associated with the pension options should not be underestimated, this would need to be undertaken at some point but an organisation can plan to resource it as a one off rather than over 30+ years. So whilst making a

single choice will peak that workload, the alternative of allowing a deferred option is far greater in extent requiring repeated complicated calculations on “what ifs” and gives rise to other issues and complications, such as the retention of knowledge. An immediate choice would put the issue to bed and provide certainty going forward and is in line with other pension issues and allow appropriate contributions to be collected and appropriate tax obligations to be met. It would also make the Authority’s task of workforce planning more straightforward.

Currently if an employee joins an organisation then they have 12 months to decide whether to transfer in pension benefits. Sometime later in their career individuals sometimes request to review that decision as their circumstances have changed and the informed decision they made on entry is no longer the right one for them. Inevitably by the nature of the situation this would increase the cost to the pension fund and are normally declined. This proposal would therefore cause resentment with other employees. As would the ongoing requirement for recalculations would be an extra obligation.

Similarly individuals can take advantage of the situation and opt to remain in the “cheaper” fund and make their real election at retirement, this will require significant adjustments in retrospective contributions to be made and after a 4 year period income tax to the revenue account would be lost and if overpaid contributions have been made the proposals suggest the employer i.e. LFRS would pay interest but not if the individuals has underpaid (this will give rise to claims of unfair treatment). Especially, as almost all 1992 employees should opt for a return to the legacy scheme.

In this respect it should be noted that different definitions of pensionable pay and contribution rates exist across the schemes.

Similarly it is suggested that those that have withdrawn from the pension schemes should be allowed to re-join and it is felt that this should only be allowed when justification is advanced.

Calculating tapering retrospectively will also be especially difficult.

The proposal to allow an individual to make the choice at the end of their career is providing an unfair advantage over other individuals and no justification can be seen for this approach except to prevent any challenge by allowing the use of hindsight, which seems unfair to other employees and depending on the outcome will impact on the cost control mechanism and the viability of the schemes as a whole.

A deferred option will mean these issues will continue for 30 + years, with the maintenance of two pension records for those effected.

In summary an immediate option should be nominated.

Potential additional discrimination being created

Within the documentation seen is a suggestion that any person with “tapering” protection should have this maintained beyond 2022. This would appear to be extending the discrimination that has caused the problem in the first place and far from reducing the scope for claims it will create new claims in the mistaken belief

that discrimination will occur if you change the offer, ignoring that it is the High Court that has deemed the protection offered as unlawful and has to be removed.

Currently in the 1992 scheme an individual's pension entitlement is limited to 30 years' service and if you achieve this before age 50 you are given a contributions holiday but after 50 have to recommence payment. The proposal is to allow staff to opt for 1992 scheme until 30 years and then join the 2015 scheme. Not only is this proposal flawed if implemented it would give rise to more claims of mal-administration.

Other examples exist and it is felt should be included in at least one of the two proposed responses.

CFA Response

It is proposed that the CFA response highlight that whilst we want fairness to the remedy, the approach adopted is not fair in some areas.

Taxation

The consultation proposes that if a deferred option is adopted then the Government will meet the tax obligation and any tax owed over the four year timeframe will be lost, this is not the case under the immediate option which will give rise to grievances if not claims.

The issue of annual allowance will also be fundamentally different if you remain in the reformed scheme until retirement and then opt for 1992 as opposed to reverting to the 1992 scheme immediately. Scheme pay obligations will also arise differently and if used will impact on an individual's final pension. Taxation issues also arise in respect of tapering. It is however suggested that this detail is picked up in the DoPD response to the consultation,

Communications

Pension entitlements have become more complicated by the existence of multiple schemes and also Government changes (such as taxation, minimum and normal retirement ages, annual allowance and other changes effecting individuals, irrespective of the transition issue. Appropriate consistent and simplified communications is therefore a key imperative.

One of these legal pension requirements is to provide clear accurate annual benefit statements. If an individual has had an option in 2022 then this task although more challenging than before is manageable but if each year the calculation has to be undertaken for two scenarios and included in a statement, conveying the import will be not only administratively challenging but providing clear information will also be difficult. This will in turn encourage claims for being misled. Experience shows that even the current requirement causes confusion. Often it is necessary to assist individuals in understanding what their options are, in the current situation this can be done within the confines of not providing advice, these proposals make that more difficult and officers would probably need to err on the side of caution.

Clear consistent pension advice and documentation is needed to prevent misunderstandings.

Financial Implications

None directly arising from this report, however whatever remedy that applies will have a significant impact on the Service.

1. The Authority's employer contributions may increase and be backdated from 1/4/2015 until 1/4/2022.
2. Any recalculation of benefits will increase the Authority's liability.
3. The proposal indicates an intent not to charge employee interest but provide interest payments to employees if overpaid will negatively impact the Authority.
4. Additional costs will be incurred by our pension administrator that will be outside the contractual arrangement and will have to be funded.
5. The complex nature of the remedy will require revised technical solutions that will need to be funded within the sector (or by pension administrators) increasing our costs. The technical providers are stating that until decisions are made they cannot progress solutions, which might jeopardise the 1/4/22 date.
6. The cost of future administration both within the Human Resources function and through our pension administrator will increase significantly.
7. The developments in the pension field limit the options for provision of a cost effective administrative service.

Human Resource Implications

Pension arrangements are a fundamental part of the contractual arrangements that have become more specialised. The complexities of the proposals and extent adds to the demands on the Human Resources function and if the deferred option is selected by Government this would continue for 30 years. Maintaining the required knowledge and expertise would be very problematic.

The complexity will result in considerable more questions over pension entitlement and uncertainty from employees and will negatively impact on morale.

The retrospective nature of the proposals and the need for complicated administration moving forward is likely to result in administrative errors (maybe significant).

The proposals will increase individual's tax liability and exposure to scheme pays which is not normally seen as positive by the individual.

The sum total of activity and lack of a technical solution means that timelines are extremely tight and must be considered a risk.

The revised pension arrangements will maintain firefighter pension provision as excellent which is beneficial in workforce terms.

Equality and Diversity Implications

The discriminatory effect would be resolved by returning everybody into the legacy scheme until 1/4/22 (the Government confirms this in its consultation document) but

the government believes this is unfair and has proposed a series of measures. The measures proposed however establish new grounds for discriminatory impact and should be avoided as outlined in the body of the report.

Business Risk Implications

The proposals are or verge on undeliverable which will cause reputational damage. Whilst it is accepted that the court determined discrimination needs to be removed, the practical and cost implications of some of the proposal will further undermine the viability of the pension schemes especially if the deferred option is selected

Environmental Impact

None

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

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

This page is intentionally left blank

LANCASHIRE COMBINED FIRE AUTHORITY RESOURCES COMMITTEE

Meeting to be held on 23 September 2020

CARBON MANAGEMENT PLAN UP TO MARCH 2030 (Appendix 1 refers)

Contact for further information: Bob Warren, Director of People and Development –
Telephone 01772 866804

Executive Summary

A significant component of the Authority's climate change mitigation is the carbon reduction activity contained in the Carbon Management Plan (CMP). LFRS participation in the 'Local Authority Carbon Management Programme Six' (LACM6) was a key starting point to focus on reducing carbon emissions from LFRS activities. Through this programme, a CMP was developed over a 12-month period in 2008/09 with sign off by the Resources Committee in March 2009.

The CMP had a target of 20% carbon emission reduction by March 2013 with a visionary target of 40% by March 2020 which included a proposed move from SHQ to the Service Training Centre. At March 2020 the carbon emission reduction was 23%. A review of the CMP has now been undertaken, the findings of which are summarised below. A further target is proposed of 40% by March 2030.

Recommendation

The Resources Committee is asked to note progress in respect of the Carbon Management Plan and agree the following recommendations post April 2020:

1. A revised Carbon Management Plan up to March 2030;
2. Monitoring and future reporting of carbon emissions be made to Authority Members through the Annual Safety, Health and Environment Report presented to the Combined Fire Authority.

Information

The following overview provides an update in respect of:

1. Background
2. Performance
3. Risks and Issues
4. Look forward to March 2030

1. Background

The Service participated in the Carbon Trust Carbon Management Programme during 2008/09. A Carbon Management Team (CMT) was created to oversee the programme together with a programme board (Climate Change and Environment Programme Board). This resulted in the production of the Carbon Management Plan which was agreed by CFA Resources Committee in March 2009. Regular update reports are presented to the Combined Fire Authority, currently through the Annual Safety, Health and Environment Report each year.

2. Performance

A target of 20% carbon emissions reduction by March 2013 was set by the Authority with a long-term target of 40% reduction by 2020. A revised target of 40% reduction by 2030 is proposed as the visionary long-term target for 2020 included a potential move from SHQ to STC (other premises).

Progress is measured against a 'business as usual' (BAU) baseline i.e. the anticipated position if no action is taken. The forecast is that carbon emissions from buildings and fuel use would increase from 4,352 to 5,074 tonnes by March 2030 without any mitigating action. The target set is to reduce carbon emission to 2609 tonnes. At March 2020 carbon emissions was 3347 tonnes showing a saving of 1005 tonnes.

It is worth noting that the target set was challenging but a decrease in carbon emissions has been achieved across gas, electricity and fuel use but not at the rate anticipated. This includes reductions in electricity use of 7.6%, gas 38% and fuel 23.8%. In addition a reduction of 30% has been achieved for water use. To continue this trend Environmental Champions have been introduced to change staff behaviour and support the CMP.

Monthly collation of electricity, gas, and fuel and water data commenced in 2011/12 on all LFRS premises. It is now possible to compare the monthly data this year with the data last year enabling further scrutiny of the data by the Carbon Management Team. This information enables new projects to be delivered in the premises that will have the most impact.

The monthly meter readings collected on each premise allows for projects to be targeted to where there is the greatest need. Usage is analysed by the CMT and this has resulted in a number of cost savings and carbon emission reductions such as: challenges being made to utility companies from inaccurate bills; station staff over-riding heating controls; heating systems being left on; investigations into water leaks; spikes in usage providing useful management information e.g. wildfires increase fuel use and flooding results in increased energy use for drying kit; fleet vehicle usage for various roles based on historic provision rather than current need and departmental plans being prioritised to deliver savings where needed most. The data collected is also used to produce DEC certificates which have to be displayed in our buildings

3. Risks and Issues

There are a number of risks and issues that may have an impact on achieving continued carbon emission and cost savings and meeting the reduction target.

- Extreme weather events e.g. cold wet winter could again impact on energy use.
- Fuel consumption could rise further due to preventative activity and wildfire and flooding activity.
- Financial and staff support for projects may be affected through reduction in budget allocation.
- To continue to achieve reductions investment will be required to support projects that deliver energy efficiency.

4. Look forward to March 2030

The Carbon Management Plan attached at Appendix 1 has been written to seek to achieve the target of 40% reduction by March 2030. It has to be accepted that projects

completed will slow down due to future budget reductions and reductions in resources. However there are a number of projects/reviews that should continue to deliver cost savings and carbon emission savings in the future. The anticipated move of SHQ to STC, reduction in staff posts resulting in reduction of energy use and reduction in fleet vehicles, reviews on ways of working e.g. Home Fire Safety Check delivery, more energy efficient buildings in the LFRS estate and the PFI buildings and the fleet vehicle replacement programmes will all assist in achieving future reductions.

Business Risk

High – A reduction in business-related carbon emissions has been identified as an Authority priority for a number of legislative, financial and public reputation reasons.

Environmental Impact

Very High – The Authority is committed to reducing business-related carbon emissions and the carbon management plan will be the principal means of achieving this end.

Equality and Diversity Implications

None

Human Resource Implications

Existing staff will deliver the plan.

Financial Implications

Range of costs associated with component elements of the programme e.g. building maintenance, fleet vehicles etc which are contained within agreed budgets.

Local Government (Access to Information) Act 1985

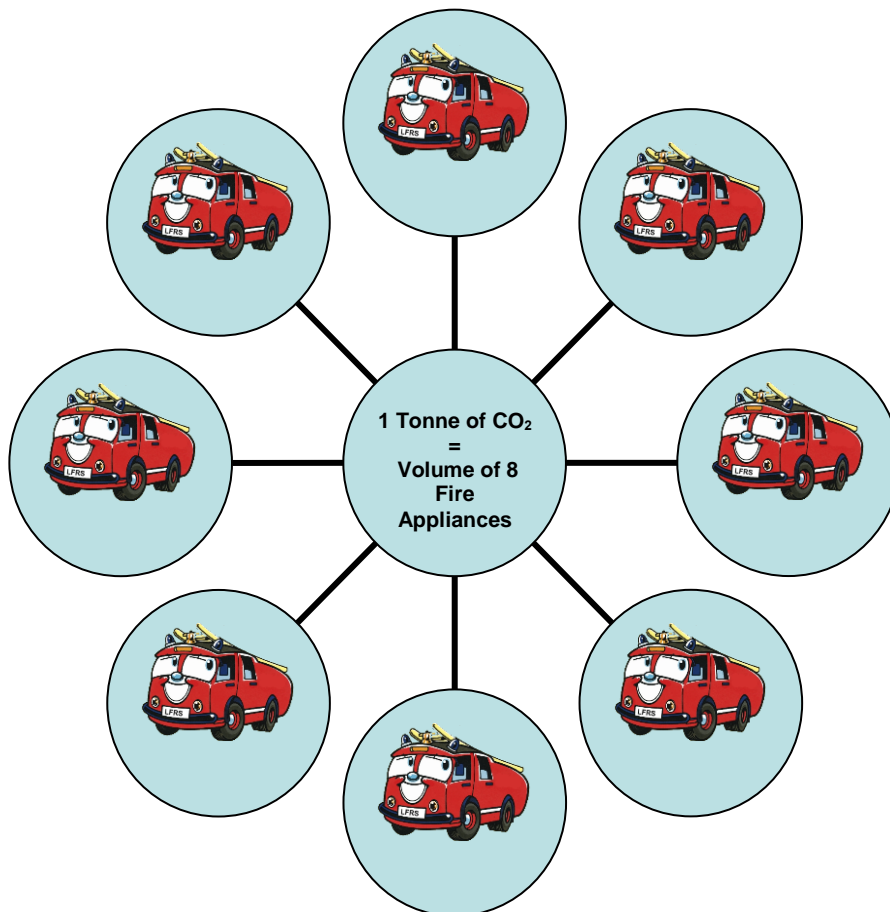
List of Background Papers

Paper	Date	Contact
<p>The following background documents (as defined in Section 100D(5) of the Local Government Act 1972 and amended by the Local Government Act 2000 - Commencement No 1 Order), have been relied on to a material extent in preparing this report</p> <ul style="list-style-type: none"> • CFA Resources Committee 	<ul style="list-style-type: none"> • March 2009 • September 2010 • June 2011 • June 2012 • November 2012 • 25 June 2013 	<p>Bob Warren 01772 866804</p>
<p>Reason for inclusion in Part II, if appropriate:</p>		

This page is intentionally left blank

Lancashire Fire and Rescue Service

Carbon Management Plan (CMP)



Contents

Foreword	3
Management Summary	4
1 Introduction	4
2 Carbon Management Strategy	4
2.1 Context and Drivers	4
2.2 Our low carbon vision.....	5
2.3 Targets and objectives	5
3 Emissions Baseline and Projections	5
3.1 Scope	6
3.2 Baseline.....	6
3.3 Projections and Value at Stake.....	6
4 Carbon Management Projects	8
5 Carbon Management Plan Financing	8
5.1 Assumptions.....	8
5.2 Benefits – Quantified and Unquantified	9
6 Management of the Carbon Management Plan	9
6.1 Strategic ownership and oversight.....	9
6.2 The Carbon Management Team (CMT) – delivering the projects	9
6.3 Succession planning for key roles.....	9
6.4 Ongoing stakeholder/interested parties management	10
6.5 Reviews.....	10

Foreword

Lancashire Fire and Rescue Service's Carbon Management Plan shows a clear commitment to embedding reductions in environmental impact into our core business. Recognising the reality of climate change and the importance of cutting carbon emissions is an essential component of the sustainability agenda.

The work undertaken by the Carbon Management Team has produced a detailed understanding of the carbon footprint of the Service. The Carbon Management Plan has already delivered cost savings associated with energy use and reduced our carbon emissions. We aim to continue our success and achieve year on year reductions in carbon emissions to achieve our target of 40% by 2030. This provides a clear demonstration that we are prepared to lead by example and will continue to deliver cost-savings and carbon emission reductions in the future.

Over the next few years, we will report our progress on a regular basis and demonstrate our commitment by turning the plan into reality. The Carbon Management Plan is a key component and integral part of how the Service responds to mitigating climate change and is a key part of the Service's Environmental Management System which is certified to ISO 14001:2015.

Justin Johnston, Chief Fire Officer

**County Councillor Hasina Khan, Combined Fire
Authority Climate Change Champion**

Management Summary

The original Carbon Management Plan (CMP) was agreed by the Lancashire Combined Fire Authority (LCFA) Resources Committee in March 2009. The aim was to reduce costs associated with energy prices as they continue to rise together with reducing carbon emissions from use in buildings and transport. An initial target of 20% reduction of CO₂ by March 2013 was set with a visionary target of 40% by March 2020 which included the closure of SHQ and a move to new premises. A simplified version was created in April 2013 and agreed by the Lancashire Combined Fire Authority Resources Committee in June 2013. Progress against the targets is detailed within this updated version.

The first step to manage carbon emissions is to quantify baseline emissions. Buildings use (gas and electricity), Transport use (fuel) and Water have been calculated to create CO₂ emissions and cost savings from a 2007/08 baseline.

Carbon Management and Waste management performance including the total amount of waste produced and of this waste the percentage recycled from a baseline year of 2015/16 is reported in the Annual Safety, Health and Environment Report presented to the LCFA each year.

The CMP requires strategic governance, ownership and management within Lancashire Fire and Rescue Service. This CMP sets out key roles and responsibilities supported by the Carbon Management Team who will be responsible for implementing, directing, reviewing and reporting on progress.

1 Introduction

It is now widely accepted that changes to the global climate are taking place. The UK in June 2019 became the first major economy in the world to pass laws to end its contribution to global warming by 2050.

The target will require the UK to bring all greenhouse gas emissions to net zero by 2050, compared with the previous target of at least 80% reduction from 1990 levels.

The UK has already reduced emissions by 42% while growing the economy by 72% and has put clean growth at the heart of its modern Industrial Strategy. It is against this background and that of increasing regulation that Lancashire Fire and Rescue Service's Carbon Management Plan has been developed.

This document details the sources of the Service's emissions (consumption from energy, fuel and water) and establishes a baseline target derived from year 2007/08 against which progress will be measured. It sets out the Service's approach towards carbon management and climate change mitigation and forms a key part of the Service's Environmental Management System and identifies key actions for the Service to take in order to meet its carbon emission target.

The CMP will deliver cost savings associated with energy use together with reductions in CO₂.

2 Carbon Management Strategy

2.1 Context and Drivers

The most crucial step to limit climate change is to make big and rapid reductions in global greenhouse gas emissions. There are many different ways this can be done and governments, businesses, organisations and individuals around the world can all contribute.

In June 2019, the UK became the world's first major economy to pass a law committing the country to a target of 'net zero' emissions by 2050.

Delivery against the longer term 2050 UK target will be challenging. It is expected to require considerably more funding, which needs to be included within the services 30 year capital ambition, investment and funding plan as part of the ongoing Capital Strategy. At present there is insufficient information to identify the funding requirements to include in the capital strategy for 2020 onwards. Furthermore it is recognised that developments in technology and changes to government policy over this period will impact the sums required.

The Service is facing unavoidably high increases in energy costs, because of rising energy prices. With the drive to control council tax, achieve efficiency savings and with increasing service costs, there is an urgent need to control the Service's exposure to rising energy prices by controlling its use of energy.

The Service's Carbon Management Plan is central to the Service's approach to Climate Change Mitigation, demonstrating leadership by putting our 'own house in order'.

The key drivers for the Service are:

- Value for Money.
- Community Leadership
- Local Enterprise Partnerships/Local Resilience Forums.
- CO₂ reduction from our operations.
- Per capita CO₂ emissions in the Local Authority area.
- Mitigating and Adapting to Climate Change.
- Reputation / Leadership of other Local Authorities and Fire and Rescue Services.
- Sustainable business, being a 'low carbon authority'.
- Reduction in fires, other emergency incidents and their consequences.

2.2 Our low carbon vision

'Lancashire Fire and Rescue Service recognise the need to tackle climate change at a local level. We will reduce our carbon emissions and our impact on the environment from the services we deliver and work with partners to reduce Lancashire's carbon emissions which in turn will contribute to carbon reduction in the widest possible sense.'

2.3 Targets and objectives

Lancashire Fire and Rescue Service objective is to reduce its impact on the environment by reducing carbon emissions from our activities which includes energy, fuel and water use from a baseline year of 2007/08. The target has been set at 40% carbon emission reduction by 2030.

3 Emissions Baseline and Projections

This section introduces the baseline figures for Lancashire Fire and Rescue Service carbon emissions and explains how these figures were determined.

3.1 Scope

The scope of emissions sources considered in measuring the carbon emissions baseline is all the buildings that are owned by the service plus PFI stations and all fleet vehicles that are owned by the Service.

Vehicles used for work that are privately owned and officers cars are excluded from the baseline.

CO₂ emissions are estimated by using standard assumptions supplied by the Carbon Trust.

3.2 Baseline

The Carbon Trust has produced a Carbon Assessment Tool, for calculation of CO₂ emissions from organisations. This has been completed and has converted consumption figures into carbon emissions. The financial year 2007/08 is the baseline year used. Lancashire Fire and Rescue Service's carbon emissions baseline and costs for the financial year 2007/08 are tabled below:

	Total	Buildings	Transport	Water
Baseline CO₂ emissions (tonnes)	4,352	3,194	1,158	9.1
Baseline Cost (£)	£838,718	£318,697	£520,021	£156,720

The total carbon emissions produced by the Service's operations for energy are estimated to be 4,352 tonnes per annum with the financial costs estimated as £838,718. Carbon emissions from water are estimated to be 9.1 tonnes per annum with the financial costs estimated at £156,720.

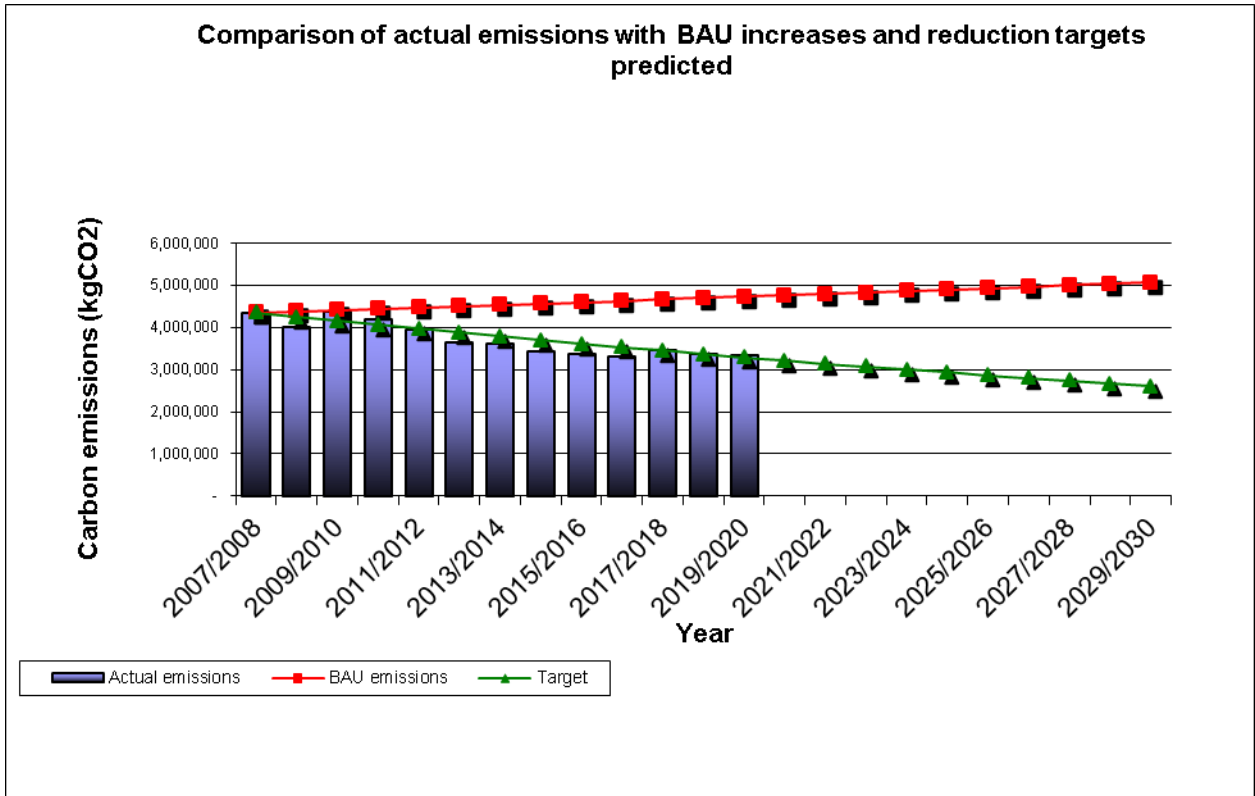
3.3 Projections and Value at Stake

The Service's carbon footprint and associated costs will rise over time if no action is taken to control emissions. A projection of the future costs and carbon emissions has been calculated using the Local Authority Carbon Management Programme baseline spreadsheet methodology provided by the Carbon Trust.

The **business as usual** (BAU) scenario is the projection of the future carbon emissions and costs if no action is taken to control emissions. This has been calculated in line with DEFRA forecasts at the start of the programme for energy prices and energy consumption.

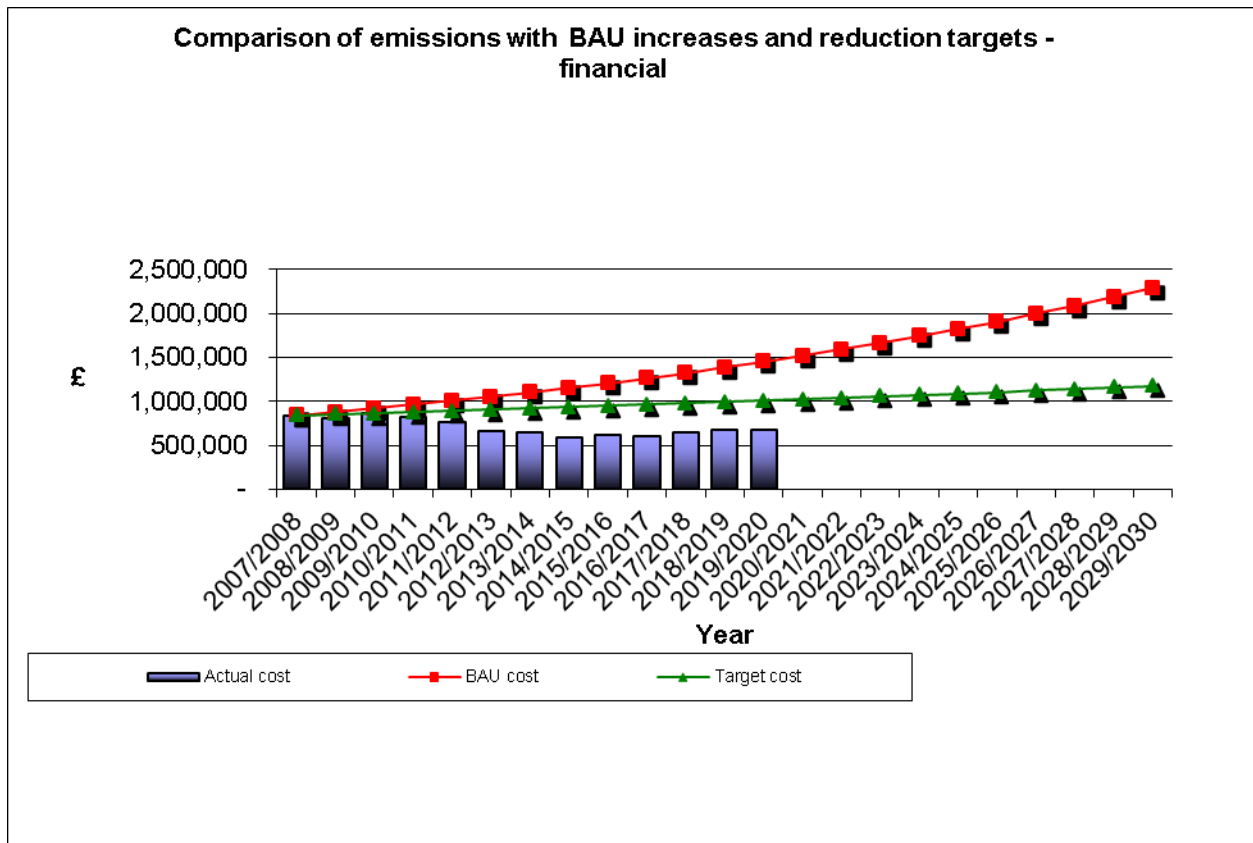
The following charts show the comparison of actual emissions with business as usual increases and reduction targets predicted for carbon emissions for buildings and transport (excluding water) and financial costs.

The **value at stake** is the cumulative difference between the business as usual scenario and the reduced emissions scenario.



The chart predicts that carbon emissions from energy and fuel would increase from 4,352 to 5,074 tonnes of CO₂ by March 2030 if no action is taken and business continues as usual. The predicted reduction target is 2,608 tonnes. The value at stake is therefore 2,466 tonnes of carbon emissions up to March 2030. At March 2013 the period where the first target of 20% reduction was set 17% has been achieved equating to a saving of 720 tonnes of CO₂ and showing carbon emissions within the Service at 3632 tonnes. At March 2020 23% reduction equating to 1005 tonnes of CO₂ and showing carbon emissions within the Service at 3347 tonnes.

At March 2020 there has been a reduction in water use of 30% equating to a saving of 2.7 tonnes of CO₂.



The financial cost at baseline year 2007/08 is £838,718 rising to £2,287,294 by March 2030 if business continues as usual. The predicted reduced emissions scenario shows the cost at £1,175,855. The total value at stake is therefore £1,111,439 over the period of the CMP. At March 2020 19% cost savings have been achieved equating to £679,009.

4 Carbon Management Projects

The Carbon Management Team generates opportunities/ideas to reduce the Service’s carbon emissions. Further investigation, prioritisation and quantification of these opportunities/ideas continue to identify the most cost effective actions to meet the carbon reduction target.

At March 2020 108 projects have been started and 97 having been completed. These projects range from boiler and heating controls upgrades, re-roofing projects, appliance bay door replacements, LED lighting upgrades, replacement of fire appliances and re-organisation of smaller fleet vehicles. Year on year further projects commence following analysis of the previous years data.

5 Carbon Management Plan Financing

Projects carried out are identified within departmental budgets. Requests for funding to deliver the projects will be made through the normal budget request process.

It is worth noting that a significant number of the projects will continue to realise financial saving years after the target date.

5.1 Assumptions

- The budget requirements for the planned/funded projects are available.

- Resources are available to deliver the projects.
- Investment is made at the Service Training Centre, Preston Fire Station and projects developed.

5.2 Benefits – Quantified and Unquantified

- Supporting our Integrated Risk Management Plan.
- Supporting the Environmental Management System by ensuring that we strive and plan for continual improvement in our environmental performance.
- Raising staff awareness and encouraging behavioural change on environmental and carbon issues.
- Creating further momentum for the Service to achieve its objectives.
- Projects are programmed where the need is the greatest based on data.

6 Management of the Carbon Management Plan

Ownership of the Carbon Management Plan is the key to its success. The key people and interested parties within the Service and external to the Service and their roles are set out below.

6.1 Strategic ownership and oversight

The Director of People and Development has responsibility for the strategic direction for Carbon Management; overseen by the Combined Fire Authority where progress against the objectives outlined in the plan are reported within the Annual Safety, Health and Environment Review.

6.2 The Carbon Management Team (CMT) – delivering the projects

The Carbon Management Team led by the Head of Safety, Health and Environment is responsible for evolving and implementing the Carbon Management Plan and for achieving the Carbon Management targets. The CMT will identify and deliver the projects and actions contained within the Plan in order to achieve the targets. The Head of Safety, Health and Environment will chair twice yearly meetings to review progress on activities and projects and identify blockages that need to be raised with the Director of People and Development.

Role	Name and position
Project Leader	Julie Lamb Head of Safety, Health and Environment
Carbon Management Team Members	John Hargreaves Head of Fleet & Engineering Services
	Andy Bibby Building Surveyor – Property Department
	Lynn Rigby Assistant Safety, Health and Environment Advisor

6.3 Succession planning for key roles

Listed in section 6.2 are employees that currently hold the position that are required to deliver this Carbon Management Plan. Should any employee move roles or leave the Service the person who replaces them will automatically fulfil the role within this team and will be responsible for the necessary actions included in the Plan.

6.4 Ongoing stakeholder/interested parties management

Detailed below are the stakeholders/interested parties for the Carbon Management Plan. It is recognised that effective communication with our key stakeholders is fundamental to gaining approval and endorsement for the carbon management plan, but also to ensure that carbon management become part of the Service's culture and day-to-day business.

Individual or Group	Influence	Impact	Their interest or issues	Means of Communication
Combined Fire Authority	H	L	Resources required carrying out the projects.	<ul style="list-style-type: none"> o Carbon Management Plan o Annual SHE Review reported to CFA o Regular updates from the CFA Climate Change Champion
Executive Board	H	M	Cost / budgets for projects.	<ul style="list-style-type: none"> o Carbon Management Plan o Director of People and Development o DFM Meetings with Heads of Departments / Finance
Senior Management Team	M	M	Prioritising and Implementation of Projects.	<ul style="list-style-type: none"> o Carbon Management Plan o Annual SHE Review reported to CFA
Employees	H	L	Can reduce their own impact on the environment by changing behaviour and taking actions that will reduce carbon emissions	<ul style="list-style-type: none"> o Carbon Management Plan o Service Orders / Standard Operating Procedures o Routine Bulletin o Intranet
Representative Bodies	M	L	Can influence behaviour in order to reduce the impact on the environment	Regular Meetings with Management

6.5 Reviews

Progress through the Health, Safety and Environment Advisory Group will be reported as required. Annually progress will be reported to the Health, Safety and Environment Advisory Group, Senior Management Team and Combined Fire Authority as part of the Annual Safety, Health and Environment Review.

LANCASHIRE COMBINED FIRE AUTHORITY RESOURCES COMMITTEE

Meeting to be held on 23 September 2020

EQUALITY DIVERSITY AND INCLUSION ANNUAL REPORT (Appendix 1 refers)

Contact for further information: Bob Warren, Director of People & Development
Tel: 01772866804

Executive Summary

Attached as Appendix 1 is the Equality, Diversity and Inclusion Annual Report for 2020/2021

Recommendation

The Authority is asked to note the report.

Information

As a public body we are required to publish information which demonstrates our compliance with the Equality Duty

Financial Implications

None directly arising from this report.

Human Resource Implications

This forms part of the suite of documents informing and guiding the Combined Authority's Human Resources policies.

Equality and Diversity Implications

The associated action plans arising from the guiding principles of the EDI report guides our approach to ensuring improvement.

Business Risk Implications

As a progressive fire & rescue service the delivery of initiative to address deficiencies in our procedures and ensuring a representative workforce are essential.

Environmental Impact

None.

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

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



Equality, Diversity and Inclusion
Annual Report
2020/2021

Contents

1. Foreword
2. Summary
3. Our aim
4. Corporate Planning and Policy approach to Equality Diversity and Inclusion
5. The Equality Act 2010
6. Equality Objectives
7. Protected Characteristics (or Protected Groups)
8. Equality Impact Assessment
9. Human Rights Act 1998
10. Equality in Partnership and Contracts
11. Our communities
12. Summary of Equality and Diversity Activity
13. Accessibility
14. Training and Development
15. Recruiting a Diverse Workforce
16. Equality in Employment Practices
17. Engagement and Consultation
18. Performance Management
19. Gender Pay Gap
20. Bullying and Harassment
21. Appendix A Workforce profile
22. Appendix B Recruitment profile
23. Appendix C Disciplinary, Grievance, Harassment and Bullying
24. Equality, Diversity and Inclusion completed Action Plan 1.4.2019 – 31.3.2020 Appendix D
25. Equality, Diversity and Inclusion Action Plan 1.4.2020 -31.3.2021 Appendix E

Foreword

1. Welcome to Lancashire Fire and Rescue Service (LFRS) Annual Equality Diversity and Inclusion Report 2020-2021

The Lancashire Combined Fire Authority (CFA) is responsible for leading and supporting Lancashire Fire and Rescue Service. The CFA has a membership of 25 elected councillors consisting of nineteen from Lancashire County Council, three from Blackburn with Darwen Council and three from Blackpool Council. It employs in the region of 1286 members of staff in a variety of roles including operational fire fighters, administrators, fire safety, business support and managerial staff, 83% of the Service are employed as firefighters.

The Annual Equality, Diversity and Inclusion Report documents our performance in relation to meeting our legal duties over the year 2019 – 2020, the workforce profile as at 31 March 2020 and our plans in relation to equality and diversity for the period 1 April 2020 – 31 March 2021.

The report is one of the ways we make visible how we are meeting our obligations to recognise diversity, value inclusion and promote equality. The report reflects the work of LFRS within our diverse communities as well as reporting key equality data/information.

As an employer our aim is to recruit and develop a diverse workforce and to ensure that our workforce can work with dignity and respect, protected from any type of prejudice or discrimination.

2. Summary

As a public body we are required to publish equality information which demonstrates our compliance with the Equality Duty. This report contains information (based on information that has been disclosed or that is publically available) about:-

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

3. Our aim

Making Lancashire safer is our commitment to making sure that everything we do improves the safety of our diverse communities.

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

Lancashire Fire and Rescue Service (LFRS) is committed to its purpose of “making Lancashire safer” and it has developed the following priorities to support this intention:

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

We define our expectations of our staff within our Annual Service Plan and our values define how we STRIVE to achieve our purpose of “making Lancashire safer” by making sure what we do is guided by strong principles of:

- Service: Making Lancashire safer is the most important thing we do.
- Trust: We Trust the people we work with.
- Respect: We respect each other.
- Integrity: We do what we say we will do.
- Value: We actively listen to others.
- Empowered: We contribute to decisions and improvements.

Risk is dynamic and fire disproportionately affects certain demographic groups and we therefore focus on the potential root causes and the people who are most vulnerable to them; those living alone, with health issues, with impaired mobility, affected by socio-economic deprivation and drug and/or alcohol users.

4. Corporate Planning and Policy Approach to Equality and Diversity

The annual priorities of the Service as detailed in our Annual Service Plan 2020-2021 and the Service’s Integrated Risk Management Plan 2017-2022 explains LFRS vision in terms of how we will achieve our mission of “making Lancashire safer”.

The Equality, Diversity and Inclusion Annual Report is part of the suite of human resources plans in addition to the Workforce Plan and the Organisational Development Plan which explains the interventions that will take place to support the achievement of LFRS mission and values. It flows from the overarching strategic plans of LFRS and links people management into the operational business arrangements. The development of the plan is also influenced by the National Fire and Rescue People Strategy and the work of the Inclusive Fire Service Group.

5. The Equality Act 2010

The Equality Act 2010 states that everyone has the right to be treated fairly and equally. The Act has two main purposes, it brings together and simplifies all of the existing discrimination law and strengthens the law to further support progress on equality.

In the exercise of its functions (including any functions carried out by an external supplier/organisation) LFRS must have due regard to:

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

These are often called the three main aims of the general duty and are detailed in the Equality Act 2010 Section 149. The Equality Duty is supported by two main specific duties which require public bodies to:

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

Public authorities covered by the specific duties must publish information to demonstrate their compliance with the general equality duty. This information must include information relating to people who share relevant protected characteristics who are its employees and people affected by its policies and practices. LFRS has developed and published a workforce equality profile of staff and this information is attached at Appendix A. Monitoring equality and diversity in the workforce enables LFRS to identify how employment policies are working and to identify areas where these may appear to be working disproportionately on certain groups of staff. Employment monitoring data is collected and reported annually in relation to all protected groups apart from gender reassignment due to the sensitive confidential nature of this data. The LFRS Operational Emergency Cover Review, includes an assessment of relevant data which allows LFRS to assess risk and focus its resources in those areas of highest need. This review includes analysis of data which covers a range of factors including the statistical data of the population of different Districts and data relating to Super Output areas comprising census information.

6. Equality Objectives

As part of the development of our Integrated Risk Management Plan 2017-2022 we reviewed and developed the following equality objectives:

Our Communities:

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

Our workforce:

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

The Equality Act removed the need for equality schemes and LFRS now produces progress actions against its equality objectives for the previous year and new actions for the next year within the annual Equality, Diversity and Inclusion Report.

7. Protected Characteristics (or protected groups)

LFRS aims to ensure that no one receives less favourable treatment for reasons relating to all recognised protected characteristics covered by the Equality Act 2010.

- Age.
- Disability.
- Gender reassignment.
- Marriage and civil partnership (in respect of eliminating unlawful discrimination).
- Pregnancy and maternity.
- Race – this includes ethnic or national origins, colour or nationality.
- Religion or belief – this includes lack of belief.
- Sex (gender).
- Sexual orientation.

8. Equality Impact Assessment

The completion of equality impact assessments is no longer a legal requirement; however it is a useful tool in identifying the impact of policies and decisions on staff and communities. Equality Impact Assessments are completed for Projects, Executive Board and Senior Management Team Reports where there is an impact on people, or the community.

9. Human Rights Act 1998

All public bodies and other bodies carrying out public functions have to comply with the Human Rights Act. Human rights are the basic rights and freedoms that belong to every person in Europe regardless of their nationality and citizenship.

Human Rights are based on five principles known as FRED A

- Fairness
- Respect
- Equality
- Dignity
- Autonomy

The Human Rights Act sets out the fundamental rights and freedoms that individuals in the UK have access to, these rights are called “the convention rights”.

10. Equality in partnerships and contracts

LFRS will ensure that any partnership it is involved in operates in line with equality principles and associated equality duties. All contracts are required to agree to LFRS terms and conditions which will include relevant clauses in relation to equalities. Additional scrutiny is incorporated within the procurement process where it is considered appropriate.

11. Our communities

11.1 Population

As a whole, the usual resident population for Lancashire according to the 2011 Census was 1,460,900, this illustrates a growth in population of 3.3% or 46,200 people since the last census in 2001.

The table below shows the population in the Lancashire 14 areas according to the 2011 census, this highlights that Blackburn with Darwen has the largest population of the 14 authorities (147,500) and the Ribble Valley is home to the smallest population (57,100).

District	Age band:					Total
	0-14	15-24	25-44	45-64	65+	
Burnley	16,000	11,100	22,700	22,900	14,200	87,000
Chorley	18,300	12,200	28,600	30,200	17,900	107,200
Fylde	11,200	7,500	16,700	22,100	18,300	75,800
Hyndburn	15,400	10,300	21,700	20,600	12,900	80,700
Lancaster	21,400	24,500	32,400	34,900	25,300	138,400
Pendle	17,300	11,200	23,700	23,000	14,400	89,500
Preston	25,100	24,600	38,900	32,400	19,200	140,200
Ribble Valley	9,800	6,300	12,600	17,100	11,600	57,100
Rossendale	12,300	8,200	17,900	19,100	10,500	68,000
South Ribble	18,600	12,800	28,100	30,100	19,300	109,100
West Lancashire	18,600	14,900	25,200	31,100	20,900	110,700
Wyre	16,000	12,000	22,600	30,700	26,600	107,700
Lancashire County (12 districts)	200,100	155,500	290,700	314,100	211,300	1,171,300
Blackburn with Darwen	32,100	19,900	41,800	34,600	19,100	147,500
Blackpool	23,700	17,100	35,500	38,400	27,100	142,100
Lancashire (14 authorities)	255,900	192,500	368,000	387,100	257,500	1,460,900

When comparing the 14 districts of Lancashire to the national averages for England and Wales, the statistics show a higher proportion of people living in Lancashire in the two oldest broad age groups of 45-64 year-olds and 65+¹.

Expected population projections from the Office of National Statistics over the period of 2012 to 2037 show that for the 14 Authority areas in Lancashire, a 5.0% increase is projected over the next 25 years making an expected population total of 1.539 million.

11.2 Cultural Diversity

Ethnicity across the county is diverse; the largest ethnic group in the county identify themselves as being white (90%), whilst the black minority ethnic (BME) group form 10% of the population with Asian/Asian British making up 8% of this group.

¹ <http://www.lancashire.gov.uk/lancashire-insight/population-and-households>

District	Usual residents	All white	Mixed/multiple ethnic group	Asian/Asian British	Black/Black British	Other ethnic group
Burnley	87,059	76,054	976	9,578	211	240
Chorley	107,155	103,833	1,016	1,710	401	195
Fylde	75,757	73,844	742	845	163	163
Hyndburn	80,734	70,778	696	9,007	106	147
Lancaster	138,375	132,342	1,356	3,732	628	317
Pendle	89,452	71,437	946	16,807	126	136
Preston	140,202	112,415	3,326	21,732	1,676	1,053
Ribble Valley	57,132	55,904	360	729	92	47
Rossendale	67,982	63,778	602	3,396	123	83
South Ribble	109,057	105,847	1,174	1,612	268	156
West Lancashire	110,685	108,603	866	913	174	129
Wyre	107,749	105,852	664	993	130	110
Lancashire County (12 districts)	1,171,339	1,080,687	12,724	71,054	4,098	2,776
Blackburn with Darwen	147,489	102,009	1,823	41,494	933	1,230
Blackpool	142,065	137,339	1,753	2,282	346	345
Lancashire (14 authorities)	1,460,893	1,320,035	16,300	114,830	5,377	4,351

Within the 14 Authority areas in Lancashire, the highest proportion of the population who are BME, is in Blackburn at a total of 45,480 (31%); this rate is three times greater than that of the Lancashire average. In contrast, Blackpool recorded a BME population that accounted for only 3% of its total population (4726 people)².

According to the 2011 census, 95% of all households in Lancashire had English spoken by all the people within them aged 16 and over as a main language. The national average of households in England and Wales in this category was 91%.

11.3 Religion

The 2011 census recorded that across the 14 Authority areas in Lancashire, Christianity was the most popular religion with 67% of people in this classification; this is above the national average of 59.3%³. The second highest category recorded across Lancashire was of people stating no religion at 19% (national level 25.1%), followed by Muslim which was recorded at 6.6%. The Muslim population within Lancashire is higher than the national average of 4.8%, with the Blackburn with Darwen area having the third highest Muslim population across the 348 authorities within England and Wales.

² <http://www.lancashire.gov.uk/lancashire-insight/population-by-ethnicity>

³ <http://www.lancashire.gov.uk/media/897579/census-2011-religion.pdf>

District	All categories	Christian	Buddhist	Hindu	Jewish	Muslim	Sikh	Other	No religion	Not stated
Burnley	87,059	55,399	192	175	14	8,580	33	236	17,178	5,252
Chorley	107,155	80,732	275	196	45	1,130	18	337	18,418	6,004
Fylde	75,757	55,843	196	175	322	350	39	228	13,870	4,734
Hyndburn	80,734	53,602	162	70	7	8,336	38	249	13,700	4,570
Lancaster	138,375	91,124	540	446	119	1,767	100	658	33,833	9,788
Pendle	89,452	48,043	224	91	36	15,579	9	334	19,573	5,563
Preston	140,202	85,518	385	3,338	60	15,769	930	428	25,754	8,020
Ribble Valley	57,132	44,627	88	99	10	425	41	139	8,299	3,404
Rossendale	67,982	43,392	163	96	67	2,613	9	231	17,095	4,316
South Ribble	109,057	82,547	206	556	48	592	75	284	18,487	6,262
West Lancashire	110,685	84,337	141	229	62	276	87	216	19,029	6,308
Wyre	107,749	80,346	220	161	69	305	25	342	19,210	7,071
Lancashire County (12 districts)	1,171,339	805,510	2,792	5,632	859	55,722	1,404	3,682	224,446	71,292
Blackburn with Darwen	147,489	77,599	306	574	54	39,817	161	295	20,374	8,309
Blackpool	142,065	95,426	450	337	252	1,061	61	571	34,815	9,092
Lancashire (14 authorities)	1,460,893	978,535	3,548	6,543	1,165	96,600	1,626	4,548	279,635	88,693

11.4 Age

Future population predictions for Lancashire's 14 Authority areas show that growth rates across the county are expected to have distinct differences. Rossendale and Chorley are predicted to have the highest growth rates in population whereas in comparison Burnley and Hyndburn are expected to have a population decrease.

When carrying out further comparisons with predicted population levels by age group, one category that is expected to substantially increase across the county is that of those aged 65+. Statistics show that there are significant increases in predicted population groups over the age of 65 that become greater still as the age range increases. This culminates with the oldest age group (90+) being predicted to rise by 97% across the county over the next 15 years.

This growing number of people aged over 65 and above present's significant challenges not only for LFRS, but also for our partners as demand increases for services. To address this, LFRS is currently working in close collaboration with partners to develop an 'Early Action Early Intervention scheme'. This scheme is aimed at identifying the most vulnerable individuals within our communities and delivering a joined up service with our partners to ensure that a quick and effective assessment of need is undertaken. The overall aim of the scheme looks to improve our community's health and wellbeing to keep them safer in their homes.

11.5 Welfare Deprivation and Employment

Deprivation is measured across England through the combined Index of Multiple Deprivation 2015 (IMD 2015) which is the official measure of relative deprivation for small areas known as Lower Level Super Output Areas (LSOAs) in England.

The English Indices of Deprivation are based on separate indicators which are organised across seven distinct domains:

- Income Deprivation;
- Employment Deprivation;
- Health Deprivation and Disability;
- Education, Skills and Training Deprivation;
- Barriers to Housing and Services;
- Crime;
- Living Environment Deprivation

This allows all 32,844 LSOAs to be ranked according to how deprived they are in relation to each other.

Types of deprivation are often associated with each other, for example health combined with the influence of an individual's living environment and lifestyle choices can all add to vulnerability. These in turn can present hazards and risks that an individual may be susceptible to due to their circumstances. In 2015 Lancashire had 31 (3.3%) of its LSOAs in the top 1% of the most deprived neighbourhoods in England. These included nineteen in Blackpool, four in Burnley, three in Blackburn with Darwen, three in Lancaster, one in West Lancashire and one in Wyre.

In contrast the dataset also shows that the proportion of LSOAs in the most affluent 10% of Lancashire rose from 51 (5.4%) in 2010 to 53 (6.0%) in 2015.

Fuel poverty can lead to a range of adverse effects from health issues including a rise in winter deaths which may be attributed to people living in cold, unheated homes, to an increase in fire risk from people using what are deemed to be unsafe forms of heating (which are often poorly manufactured) or from counterfeit electrical products. To mitigate this, LFRS runs an annual winter safety campaign which aims to help those who are most vulnerable in our communities. Individuals who are deemed at high risk are offered a free Home Fire Safety Check and through our continued work with our partners we run a variety of local campaigns designed to target those specific groups.

12. Summary of Equality and Diversity Activity

The detail of our progress is summarised in our completed action plan attached at Appendix D.

13. Accessibility updated

LFRS Corporate Communications Department ensures that information is made available in a variety of formats and using multiple channels to best reach Lancashire's diverse communities. The Service's equality and diversity values are promoted in key publications and information sources internally and externally. LFRS provides information in printed form and via digital channels including the LFRS website. The website meets Web Content Accessibility Guidelines (WCAG) 2.0 level AA, which is an internationally recognised set of recommendations for improving web accessibility by the World Wide Web Consortium

(W3C). LFRS is continuing to work towards compliance with the Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018 (which came into force for public sector bodies on 23 September 2018) and achieving Web Content Accessibility Guidelines (WCAG) 2.1 level AA standard. Intranets published before 23 September 2019 are exempt however our intention is to apply best practise both internally and externally wherever possible.

Making a website or mobile app accessible means making sure it can be used by as many people as possible. This includes those with:

- impaired vision
- motor difficulties
- cognitive impairments or learning disabilities
- deafness or impaired hearing

There are four design principles:

- perceivable - users can recognise and use your service with the senses that are available to them. For example, we provide descriptive text for images and videos and the ability to change the contrast and text size.
- operable - users can find and use your content, regardless of how they choose to access it (for example, using a keyboard or voice commands). For example, we don't use blinking or flashing content and the main navigation is accessible by keyboard shortcuts.
- understandable - people can understand your content and how the service works. For example, we use plain English, keep sentences short and don't use words and phrases that people won't recognise.
- robust - content can be interpreted reliably by a wide variety of user agents (including reasonably outdated, current and anticipated browsers and assistive technologies). For example, we use valid HTML so assistive technologies can accurately interpret and phrase content.

The Corporate Communications department actively supports the prevention work of LFRS ensuring that key messages are targeted at those individuals who are most at risk. The department carries out positive action campaigns when recruiting to encourage women and under-represented groups to apply and supports a number of national campaigns and special events including Dementia Awareness Week, Older People's Day, Pride Month and International Women's Day. Information can be provided in alternative formats, such as large print and additional languages, on request and videos are produced with subtitles. The department also applies measures from the British Dyslexia Association's style guide in both internal and external material to take into account the visual stress experienced by some dyslexic people and to facilitate ease of reading.

14. Training and Development

LFRS has a proactive approach to training and development in relation to equality diversity and inclusion.

(i) Lancashire Fire and Rescue Service has prioritised the development of a strong organisational culture where its values are understood. The Service received "Outstanding" in its recent HMICFRS inspection in relation to Organisational Culture and Values. The Service values include behaving in a non-discriminatory and inclusive way, standing up for what is right and also working in a professional and non-judgemental way. The Service values are incorporated within the appraisal and performance management processes.

During 2019/2020 we established a Leadership Framework sets out the Services approach to leadership in terms of the behaviours expected.

(ii) All employees are required to complete equality, diversity, inclusion and unconscious bias training on Learn Pro as part of their induction.

15. Recruiting a diverse workforce

LFRS continues on its journey to improving the diversity of the workforce to ensure that it represents the community it serves. During 2018/2019, the Service was successful in the process of achieving employer provider status and recruited its first cohort of 18 apprentices who commenced their apprenticeship in September 2019. During 2019/2020 the Service built on the success of its earlier recruitment campaign and recruited another two cohorts of apprentices, 45 in total.

The campaign created a real opportunity to recruit individuals who are diverse, who have different backgrounds, experiences and complementary skill sets. The campaign was supported by an integrated positive action campaign which included a social media campaign. 240 engagement activities; including face to face engagement with local communities, visiting community venues, career events and sports clubs, were delivered prior to the selection process going live.

Some 597 people attended “Have A Go” Days which were held in a number of Stations across Lancashire supported by Service Delivery, Fitness Advisors, and Human Resources staff. The figures were pleasing as they represented a 35% increase from the previous year. Of the total number of 906 valid applications received, 15% were from women, 5% from candidates who declared themselves as BAME, 10% as LGB&T and 4% declared themselves as having a disability. For the initial cohort in September 2019, 22% were female, 88% were male and 11% identified as BME. In February 2020, further interviews took place for the selection of two more cohorts. Of those successful in gaining the offer of an apprenticeship, 15.5% are female. Those representative of LGB&T and BAME groups are less than 10%, however the figures are pleasing in terms of the Service’s aim to improve the diversity of its workforce.

16. Equality in Employment Practices

LFRS ensures that its employment procedures are equality impact assessed to ensure that equality is considered transparently in the development and implementation of its policies.

LFRS monitors the composition of its workforce and this is attached at Appendix A

LFRS looks to promote equality of opportunity in recruitment, selection, pay, promotion, training, grievance and exit from employment. A breakdown of candidates recruited and selected to LFRS vacancies is also attached at Appendix B. LFRS also monitors employees who are involved in disciplinary action, grievances and harassment and bullying complaints, a profile is attached at Appendix C. However, the full details in some areas of the profile are not reported in public due to the low numbers and the need to preserve confidentiality of the employee.

LFRS has a number of policies which support employees with a protected characteristic including: Bullying and Harassment Policy, Maternity Handbook (incorporating Paternity and Adoption), Shared Parental Leave, Grievance Policy, Equality, Diversity and Inclusion Policy.

During 2020/21 the special leave provisions have been improved to support and have a positive impact on under-represented groups.

17. Engagement and Consultation

LFRS engages with staff formally through the Trade Unions through formal and informal consultation meetings. Workforce and employment-related decisions and documents are reviewed with trade union representatives and other appropriate staff within LFRS. During 2020 formal consultation meetings was be set up with UNISON as well as the FBU and regular dialogue takes place with the Trade Union. The employee voice groups have become an effective mechanism for consulting with staff and receiving feedback from staff of under-represented groups.

The Service continues to collaborate and work with partners including the Authorities of Lancashire and Lancashire Constabulary. The Service has a Consultation Strategy which sets out how the Service consults.

Further to the implementation of a new intranet “The Engine House” the Service has established discussion forums and established a staff focus group which is used to consult on a variety of topics,

18. Performance Management

The Annual Service Plan details the activities we will undertake in the year to deliver the strategy we set in our IRMP. The most important of these activities are managed by the Leadership Team through the Corporate Programme Board. Local Delivery Plans (departmental and district plans) detail activity which further supports the delivery of our strategy but which is led by local teams.

All staff have a performance appraisal where objectives are set which support the delivery of our plans and feedback is given about performance in relation to our values. As we look to develop our appraisal process through 2019 and 2020 we are looking at how we can strengthen those conversations with staff in relation to identifying the support and development they need to achieve their best.

19. Gender Pay Gap

Due to the Covid-19 Pandemic the government removed the requirements relating to Gender Pay Gap reporting.

20. Bullying and Harassment

LFRS has highly effective employee grievance and bullying and harassment procedures for dealing with employee complaints. The Service has promoted the principle of having an informal word at the right time and then adopting the more formal approach where issues are identified, this has worked successfully, the Service has reviewed its existing arrangements for sense checking if there are issues of concern within the workplace place and the benefits of establishing a mechanism of reporting. The review concluded that it would be onerous and would damage the principle of dealing with issues informally. Further, a recent review of the Capability Procedure, Trade Union representatives indicated a move away from informall issues being addressed within formal processes was of benefit in terms of engaging members of staff and effecting change. Currently it is proposed that the existing arrangements for sense checking will remain the same subject to further feedback from members of staff.

Appendix A

Workforce Profile as at 31 March 2020

The majority of our staff are white and male and work within the wholetime uniformed service and this reflects the historical recruitment trends associated with the Fire Service. A substantial number of white males also work within the On-call uniformed service.

Workforce Headcount LFRS

Total No.of staff	White British	BAME	Male	Female	Disability	Ave Age
1286	1241	45	1070	216	27	41
%	96.5%	3.5%	83%	17%	2%	

The number of members of staff who declare themselves as being LGBT is 2%.

There has been a reduction in the total number of staff we employ from 1304 to 1286. The trend is increasing in terms of the number of women we employ which has increased to 216 an increase from 213 in 2019 and 192.

There has been a small reduction in the total number of BAME employees we employ to 45 in 2020 despite an increasing number since 2016, when the number increased to 47 from 43 in 2016 and 37 in 2017.

The number of disabled we employ has increased steadily from 14 to 24 and now 27.

Staff Category	Number of staff	FTE in contracted hours worked
Wholetime (including trainee FFs)	622	622
Oncall	439	271 ⁴
Control	1	1
Service Delivery (CFS)	52	49
Support Staff	172	153
TOTAL	1286	1096

Prevention and Protection

Community Fire Safety Green Book roles

Total No.of staff	White	BME	Male	Female	Disability	Ave Age
52 ⁵	46	6	26	26	1	46

⁴ Total number of On-call hours divided by 120

⁵ Fire Safety Inspectors, Business Safety Officer, Practitioners, Prevention Support Officer, Prevention Support Manager.

Fire Safety Practitioners Grey Book staff

Total No.of staff	White	BME	Male	Female	Disability	Ave Age
32	31	1	30	2	0	49

Princes Trust Programme Support Green Book staff

Total No.of staff	White	BME	Male	Female	Disability	Ave Age
17	17	0	2	15	0	36

Response Grey Book Operational staff including resilience and specialist capability

Wholetime (including DC and DCP duty roles and Trainee Firefighters)

Total No.of staff Headcount	Role	White British	BME	Male	Female	Disability	Ave Age
548	All	532	17	506	42	17	43
	Strategic ⁶	18	0	18	0	0	47
	First Line Supervisors ⁷	75	1	70	6	0	47

Retained Duty System

Total No.of Oncall staff	Role	White British	BME	Male	Female	Disability	Ave Age
439	All	426	13	409	30	7	37
	First Line Supervisors	126	4	124	6	1	43
	FF	300	9	285	24	6	34

⁶ CFO, DCFO, ACFO, Area and Group Managers

⁷ Station and Operational Watch Managers

Female Firefighter workforce

Crewing System	Rank	Number
224	FF	28
	CM	2
	WM	2
DC	FF	3
	CM	
	WM	
DCP	FF	2
	CM	1
	WM	
Day Duty	CM	4
	WM	2
FDO	SM	4
Oncall	FF	24
	CM	6
	WM	
Trainee Firefighters	FF	
TOTAL		78

We employ a total of 78 women within our firefighter workforce through all ranks which is an increase from 71 in 2018, 54 in 2017 and 49 in 2016 respectively.

Business Support Staff Green Book

Total No.of staff	White	BAME	Male	Female	Disability	Ave Age
155	148	7	59	96	2	47

Within in Business Support staff there has been a small decrease in the numbers of staff from 159 to 155 in 2019. The number of women we employ has remained the same at 96. The number of staff who identify as BAME has reduced from 9 to 7.

Support Staff Grey Book (Including TOR, Control, Day Duty staff - refers to terms of employment)

Total No.of staff	White	BME	Male	Female	Disability	Ave Age
43	42	1	38	5	0	42

Within Grey Book Support staff there has been a decrease in the numbers of staff employed from 45 to 43.

Turnover

During 2020, the following numbers of staff left the Service due to a number of reasons including retirement, dismissal, and termination of contract (including temporary contracts and fixed term contracts or voluntary resignation). Turnover is generally low across LFRS apart from Oncall.

Staff Category	Male	Female	Total	BAME	Disabled	% of females	% of bame
Wholetime	40	1	41	1	0	2	0
Oncall	44	4	48	2	0	8	0
Control	0	0	0	0	0	0.00	0.00
Service Delivery (CFS)	2	2	4	0	0	50	0.00
Support Staff	14	11	25	2	0	44	0.00
TOTAL	100	18	118	5	0		

Age Profile

There has been little change in the age profile of members of staff within the wholetime service the majority of staff are aged between 45-49 years with a substantial number aged 50-55 years. This year there has been an increase in the number of people aged less than 34 years employed by LFRS. The youngest element of the workforce is Oncall, where the largest number of staff are aged less than 34 years of age. Within business support services a broader age range is developing with a significant proportion of staff are aged under 34 years of age, 50-55 years of age and 56-60 years of age.

Staff Category	Age	Age	Age	Age	Age	Age	Age
	Under 34	35-39	40-44	45-49	50-55	56-60	61+
Wholetime	101	106	74	167	160	14	0
Oncall	186	96	47	43	43	20	4
Control	0	0	0	1	0	0	0
Service Delivery (CFS)	6	11	6	7	8	11	3
Support Staff	31	21	18	26	32	30	14
TOTAL	324	234	145	244	243	75	21

Recruitment Profile

Applications during the period 1.4.2019 – 31.3.2020

Total Applications	Male	Female	BAME	% of females	% of bame	LGB & T	% LGB & T	Disabled	% Disabled
1105	812	293	96	26.5	9	84	7.6	48	4.34.3
Shortlisted									
680	533	147	36	22	5.3	53	7.8	24	3.5
Successful									
193	165	28	<10	15	<10	<10	<10	<10	<10

A lower number of applications for vacancies within LFRS are received from women. The number of applications received from BAME candidates is relatively low and of the applications received less than 10% are appointed, as is the case for applicants who declare a disability, and those who identify as LGBT.

Promotions during the period 1.4.2019 – 31.3.2020

The success rate for female applicants for promotion to Crew Manager positions was 100% and there is currently one out of three female applicants going forward onto the Middle Manager Development Programmes.

Disciplinary Cases for the period 1.4.2019 – 31.3.2020

There were 29 disciplinary cases during the period 1 April 2019 to 31 March 2020 which is an increase of 5 from the previous year.

Male	Female	BME	Disability	Appeals	Decision Upheld
28	1	<10	<10	0	0

Matters of Grievance for the period 1.4.2019 – 31.3.2020

There were 6 grievance cases during the period 1 April 2019 to 31 March 2020 which is the same as the previous year.

Male	Female	BME	Disability	Appeals	Decision Upheld
6	0	0	0	1	1

3 of the cases were not upheld, 3 were upheld, there was one appeal and the original determination of this grievance (not upheld) remained in place.

Harassment and Bullying Cases 1.4.2019 – 31.3.2020

There were 4 cases identified as a potential harassment and bullying cases during the period 1 April 2019 to 31 March 2020, which is the same number as the previous year. Of the cases submitted, following investigation 3 cases were not validated. The remaining case resulted in a dismissal.



Appendix D Completed Equality, Diversity and Inclusion Action Plan 2019 – 2020

Equality Objectives: Our Communities

- (i) Support local business to reduce the risk of fire and remain compliant within fire safety legislation
- (ii) Reduce the number and impact of fire and other emergencies to our diverse communities across Lancashire
- (iii) Develop and deliver a Prevention Service targeting our most vulnerable communities

What we will deliver	Measure of Success	Owner	Target Date	Progress Update	
1	Present the EDI Annual Report to the Fire Authority.	Members are aware of their commitments and accountabilities under the Policy	Chief Fire Officer	1.6.2019	EDI Annual Report presented to Fire Authority Members September 2019. The Terms of reference for the EDI Steering Group was also refreshed.
2	Reduce accidental fires in the home through targeting those people who are at risk due to a range of factors including age, disability and lifestyle.	Reduce accidental fires 1.3 Accidental Dwelling Fires 1.4 Accidental Dwelling Fire Casualties	Heads of Service Delivery	31.3.2020	A total of 816 accidental dwelling fires A total of 58 accidental dwelling fire casualties. 5 of these fatal, 22 serious injuries and 31 slight injuries. Of the Accidental Dwelling Fire casualties within 2019/20, 56% are recorded as 'white – British'. 14% belong to a BAME group, which is a 3% increase over the 3 year average. The highest count being 'Asian or

					<p>Asian British – Indian’ with 7%. This was due to a single incident in Hyndburn resulting in a larger number of casualties.</p> <p>There has been a small increase in the percentage of male casualties, which now represent 58% of casualties against the 3 year average of 55%.</p>
3	<p>Work with at risk groups and local partners to contribute to the reduction and severity of road collisions in Lancashire. Young People are particularly at high risk of being killed or seriously injured.</p>	<p>Reduce road traffic accidents</p>	<p>Head of Service Development</p>	<p>31.3.2020</p>	<p>The Lancashire Road Safety Partnership aims to reduce road casualties through a range of measure adopting a collaborative approach.</p> <p>Between 2014 -2018 there has been a consistent year on year decrease in the number of people who have been killed and seriously injured on Lancashire’s roads.</p> <p>LFRS offers Wasted Lives sessions to all high schools across the county for year 10 or year 11 pupils.</p> <p>LFRS support Senior Road User workshops as they are highlighted as the fastest growing KSI group.</p> <p>LFRS offers Biker Down courses to all motorcyclists free of charge who are over represented in KSI figures.</p>
4	<p>Ensure our services are accessible and meet the needs of people in the community by ensuring that fire prevention material is linked to a range of risks including cultural risks.</p>	<p>IRMP is informed by disaggregated data and takes into account differential impacts and varying needs</p>	<p>Head of Service Development</p>	<p>31.3.2020</p>	<p>The LFRS Strategic Assessment of Risk identifies the demographic composition of Lancashire including vulnerabilities across various groups within the community. The risks identified guide prevention activity towards those most in need of our prevention services and result in the</p>

					delivery of an annual campaign calendar across BAME groups e.g. Ramadan safety, loose clothing, driving safety etc.as core deliverables.
5	Use a wide range of communication channels ensuring our safety messages meet the different needs of our communities in terms of timing of the campaign and types of risk.	Reduction in KPI activity.	Head of Media and Corporate Communications	31.3.2020	<p>A Ramadan Safety Campaign was run in May 2019 which included LFRS representation at several mosque events at E70, C50 and E71 during Ramadan.</p> <p>LFRS has been a supporting member of AFSA for a number of years and supported the development of case studies highlighting the connection between a role in the Fire Service and individuals experiences in religion and belief.</p> <p>Representatives from the Service attended the Blackpool Purim Celebrations, one of the most festive holidays in Judaism.</p> <p>Representatives from the Service are also currently working with Deafway to address the areas highlighted in their Equal Lives Equal Rights Report which identified how Services can engage more effectively with the deaf community. A Task and Finish Group has been set up to progress actions to support this. We also include our text number for deaf people to access on new resources and promotions.</p> <p>Local campaigns are aimed at vulnerabilities and cultural risks for example Ramadan and loose clothing campaigns.</p>

					The Fire Kills leaflets are available in a number of languages and formats including easy read versions, fire safety for parents and child carers and Fire Safety for people with sight, hearing or mobility difficulties.
6	Support 17 th May 'Celebrating International Day against Homophobia, Biphobia and Transphobia' with a specific campaign delivered as a three Blue Light Collaboration.	Reduction in KPI activity.	ACFO	31.3.2020	Due to a change in roles at LANCON and NWS the bespoke event did not progress, on this basis LFRS focused upon Watch/Team visits and Routine Bulletin communications to all members of staff.
7	Attend any FRS hosted LGBT conference and evaluate the benefits of aligning to the emerging national LGBT FRS group.	Engaged communities who are confident in LFRS aim of keeping them safer	ACFO	31.3.2019	Attendance at both Tyne and Wear FRS and Cheshire FRS events with feedback and ideas considered by the Employee Voice Group, these included widening the internal representation, informal events and mentors for new staff members beyond recruitment
8	Attend Pride events in 2019 at Blackpool, Lancaster, Morecambe and Preston promoting LFRS Prevention and Protection work streams and also LFRS as an employer. Attend Manchester and Brighton to promote LFRS recruitment and to seek best practice.	Engaged communities who are confident in LFRS aim of keeping them safer	ACFO	31.3.2019	All Pride events scheduled and embedded within District Plans with meetings scheduled with SDM and local LGBT voice group member. All events concluded by end of August 2019. The delivery of a lessons learnt/debrief has been postponed to 2020/2021 in light of Covid-19.
9	Evaluate the potential for a wrapped LGBT fire engine in the main fleet.	Engaged communities who are confident in LFRS aim of keeping them safer	ACFO	31.3.2019	HOFES evaluation of developing wrapped appliances at manufacturer on going. Positive feedback received from the Employee Voice Group on the wrapped vehicle. Wrapped vehicle

					will be used to support prevention and recruitment activity.
10	Continue to identify and map our key partners/agencies/persons that can educate us and improve our understanding. Develop consultative arrangements and further explore collaborative opportunities within the multi-agency practices, examples being Lancashire Constabulary LGBT network.	Achieve efficiencies in engaging with our communities in achieving our aim of keeping them safer.	ACFO	31.3.2019	The Race and Religion Employee Voice Group worked with Local Authorities to obtain data to map emergent communities (including asylum seekers and refugee families) to improve the targeting of prevention activity and seeking to engage where networks exist, this has now been obtained and will be used to inform LFRS SAOR and in turn the LFRS integrated risk management plan. The Race and Religion Group completed a network mapping exercise to identify opportunities to improve engagement across diverse communities and the findings shared with CPM's on Area.
11	Ensure the new website complies with New Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018 which will ensure that information is accessible	An inclusive website and apps that meet the new accessibility standard Achieve Web Content Accessibility Guidelines (WCAG) 2.1 Level AA standard for external websites	Head of Media and Comms	27.9.2019	The review of the Accessibility Regulations is ongoing.

Equality Objectives: Our Workforce

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

What we will deliver		Measure of Success	Owner	Target Date	
13	Refresh the LFRS Workforce Plan Review existing EDI data to define baseline of evidence in relation to our workforce	Identify any key trends in relation to the workforce To recruit, promote and retain a workforce which is diverse which meets the needs of the community we service	Head of Human Resources	31.8.2019	The Workforce Plan has been completed, the preliminary data indicates that the number of women we employ is increasing, the number of BAME staff we employ is increasing and the number of staff who declare they have a disability is also increasing.
14	Undertake a gap analysis of the Stonewall Workplace Equality Index	The framework helps organisations to review and improve their performance for people with a characteristic protected by the Equality Act	ACFO	31.3.2020	Further to a cost benefits of participating in the Index, a decision made by the Employee Voice Group and the ACFO that LFRS will not submit an entry in 2019/20 and consideration will be given to next year when a more streamlined process from Stonewall is expected.
15	Review opportunities for making existing shift patterns more flexible to meet the needs of families	A workforce which feels inclusive and is more engaged	Head of TOR	31.3.2020	The Group Manager has completed consultation with the FBU in relation to a trial of flexible annual leave allocation in Western Area involving both 2/2/4 stations at; <ul style="list-style-type: none"> • W37 South Shore (1 pump) • W30 Blackpool (2 pump)

16	Engage and communicate with staff through: Regular engagement with FBU and Unison Support external diversity and inclusion networks which promote Equality, Diversity and Inclusion and share Information. Support the development of internal networks	A workforce which feels inclusive and is more engaged	Chief Fire Officer EDI Steering Group EDI leads	31.3.2020	The Chief Fire Officer attended Women in the Fire Service Conference to share some of the good practice taking place within LFRS. The Equality Steering Group agreed to support appropriate representation from LFRS attend the AFSA Spring Conference 13 and 14 June 2019. The CFO spoken at diversity events celebrating good practice. CFO attended HeFor She Conference 11 November at Humberside. ACFO met with newly appointed FBU LGBT rep and this colleague has now joined the employee voice group.
17	Job Evaluate posts as per the National Evaluation Scheme.	Meet legislative requirements	Head of Human Resources	31.3.2020	Job Evaluation of posts continuing as vacancies arise or changes to posts exist.
18	Respond to the outcomes of the Gender Pay Gap Reporting requirements 2018	A more diverse workforce representative of Lancashire	Head of Human Resources	31.3.2020	Gender Pay Gap reporting was removed as a requirement due to Covid-19.
19	Review the outcomes of the previous recruitment campaigns gather lessons learned and use these to shape other positive action campaigns	A more diverse workforce representative of Lancashire	Head of Human Resources	31.3.2020	These have been reviewed. However, recruitment has to be considered in the context of Covid-19 appropriate safety measure.
20	Increase the number of apprentices	A more diverse workforce representative of Lancashire	Head of Human Resources	31.3.2020	TrailBlazer been established for Fire Safety, but no training providers have been identified. We continue to explore opportunities to identify training providers capable of delivering the Community Fire Safety Apprenticeship. Funding rules confirm the circumstances in which funding from the Apprenticeship Levy can be

					<p>pulled down.</p> <p>Further to completion of their initial recruits course 18 apprentice firefighters are now completing their apprenticeship on Station.</p> <p>Within Support Services: 1 x Procurement Apprentice, 1 x Accounts Assistant Apprentice, 2 x Human Resources Apprentices, 1 x Project Management Apprentice, 1 x Fleet and Engineering Apprentice and 2 x Business Administration Apprentices based in Response and Emergency Planning. In addition: 2 x Members of staff is undertaking Senior Leaders Degree Apprenticeship, 1 x Member of staff is undertaking Departmental/Supervisor Apprenticeship, 1 x Member of staff undertaking Business Administration.</p>
21	Consult with communities on barriers to working for the Service and how these can be addressed	A more representative workforce	Head of Media and Communications	31.3.2020	Face to face consultation was being explored but could not be pursued as a consequence of Covid-19.
21	Develop a strong organisational culture where the behaviours of our leaders are understood and championed with a view to embedding our values.	Strengthen leadership and line management to support organisational change	Head of Human Resources	31.3.2020	SMT and leadership development day delivered 20 November. Leadership Programme for 2020 was agreed for Crew Managers and above in a leadership role, one day of delivery, delivered over 24 month period. With a view to launching the Leadership Development Framework November 2019.

					Leadership Development Programme had to be postponed due to Covid-19. 360 development tool developed with a view to being launched delayed due to Covid-19, will be launched Autumn 2020
22	Review progression of underrepresented groups	Improve progression of Minority Groups through LFRS	Head of Human Resources	31.3.2020	Review 2020
23	Complete a Scoping of the Blue-Light Framework	A resilient workforce able to respond to change	Head of SHE	31.3.2020	Head of Safety, Health, and the Environment completed scoping the Services position in relation to the Blue Light Wellbeing Framework.
24	Evaluate the potential benefits of EDI Volunteers as a part of the Lancashire Volunteer Partnership Volunteer offer.	A more diverse workforce and diverse communities focused on LFRS aim of making Lancashire Safer	ACFO	31.3.2020	Feedback will be captured as part of the 6 month review to PPRTG. A volunteer has helped shape the LGBT work plan and has attended a number of events providing insight from a Transgender perspective.
25	Increase the numbers of LGBT staff who are open in the workplace.	A more diverse workforce	ACFO	31.3.2020	The monitoring arrangements within the HR system have been reviewed and the arrangements for individuals to update their own record in relation to sexual orientation has gone live. Monitoring arrangements in relation to transgender will require updating of Miplace which is currently being reviewed. Promotion of the opportunity to update your own record will be publicised which should provide for more accurate reporting.
26	Increase the numbers and diversity of the LGBT employee voice group to include area based, SHQ and STC based LGBT reps and develop close working with the newly appointed FBU LGBT	An engaged workforce who feel valued and who can positively contribute to making LFRS a better place to work.	ACFO	31.3.2020	The meeting attendees has grown in terms of numbers and diversity in that a wider LGBT cohort and also a small number of self-identified champions.

	rep.				
27	<p>Support relevant campaigns promoting awareness of issues impacting on minority ethnic communities:</p> <p>Dyslexia Awareness Week 7/10/2019</p> <p>Support Autism Awareness Week 1-7/4/2019</p> <p>He For She Campaign</p> <p>Menopause Awareness Month Sept 2019</p> <p>International Womens Day 8 March 2020</p>	A workforce who is engaged and feels valued and contributes to effective decision making	All EDI leads	31.3.2020	<p>The Service supported Autism Awareness Campaign 1-7 April 2019 to increase the understanding of autism and how it impacts the lives of people through the promotion of information through the internal website.</p> <p>The Service supported Dyslexia Awareness Week 7-13 October promoting the support available for members of staff who have Dyslexia</p> <p>Promoted Menopause Awareness via the Routine Bulletin and information updated on the Intranet of the Health and Wellbeing page.</p> <p>Supported National Coming Out Day via a coffee morning at SHQ plus a visit to firefighter apprentices at STC</p>
28	Support underrepresented groups fulfil their potential:	A diverse workforce at all levels of the organisations	Head of HR and Head of TOR	19-21 June 2019	<p>Support staff to attend Women in the Fire Service.</p> <p>Support staff to attend the Afsa Conference</p> <p>A number of HR policies been updated or developed these will be rolled out promoting Equality, Diversity and Inclusion explaining why this is important to the Service: Bullying and Harassment, Transition at Work, HIV, Maternity and Child Care and Shared Parental Leave.</p>
29	<p>Support the development of internal networks</p> <p>Use the employee voice groups as a mechanism of</p>	A workforce who is engaged and feels valued and contributes to effective decision making	EV Leads	31.3.2020	The EDI Steering Group agreed to explore how a section of the existing Wholetime Firefighters induction could be expanded to include all new starters and be more flexible in terms

	consultation				of including EDI and employee voice groups. Employee voice groups consulted on a range of EDI policy developments Employee voice groups consulted on the new Performance Management arrangements.
30	Review Special Leave arrangements	A workforce who is engaged and feels valued	Head of HR	31.3.2020	A draft for revising the special leave arrangements was agreed at the EDI Steering Group in June 2020.
31	Update the Wholetime induction with a specific link to the employee voice groups inviting Green Book employees and Oncall.	A workforce who is engaged and feels valued	Head of TOR	31.3.2020	TOR to include this in the induction arrangements for 2020. Staff Insight day delivered in January 2020 and the findings from that day to be used to inform the content of the Wholetime Induction
32	Develop opportunities to improve fitness for support staff	A resilient workforce able to respond to a changing environment	Head of TOR	31.3.2020	Gym Inductions available for Green Book staff The availability of gym facilities promoted through the Routine Bulletin Health and Wellbeing Toolbox Talks promotes fitness across LFRS. Dietician identified as an option for some staff further to OHU referral.
33	Encourage time to talk to improve health and well-being: Brew Monday	A resilient workforce able to respond to a changing environment	Head of SHE	31.3.2020	January 20 2019 Brew Monday, promoted the Wellbeing Calendar. February 6 Time to Talk Day promoted Well Being Calendar.
34	Service Fitness Advisor providing fitness guidance	A resilient workforce able to respond to a changing environment	Head of TOR	31.3.2020	Fitness guidance now approved and published.
35	Involve representatives from underrepresented groups in relation to any proposed changes to property: C50 proposed build date 2020/21 E70 no plans yet available	A workforce who is engaged and feels valued	Head of TOR/Head of SD	31.3.2020	The wider redevelopment of C50 has been put on hold until a decision is made regarding wider changes to the Services property portfolio. Plans for W37 finalised and work scheduled

	W37 no plans yet available W30 plans being drawn up to convert Watch Dormitory STC Facilities				Various planning options drawn up for W30 and under consideration.
36	Explore flexible working opportunities within 224 stations	A workforce who is engaged and feels valued	Head of TOR	31.3.2020	Flexible Annual Leave arrangements will be trialled at W30 Blackpool and W37 South Shore from January 2021. This is an ASP item. Consideration will then be given to a wider rollout to other 2,2,4 stations.
37	Support pregnant or women on maternity leave through the availability of the Service Fitness Advisors or PTI's who have received additional training	A workforce who is engaged and feels valued	Head of TOR	31.3.2020	Specialist training undertaken by a number of PTIs to facilitate this.

Appendix E - Equality, Diversity and Inclusion Action Plan 2020 – 2021

Equality Objectives: Our Communities

- (iv) Support local business to reduce the risk of fire and remain compliant within fire safety legislation
- (v) Reduce the number and impact of fire and other emergencies to our diverse communities across Lancashire
- (vi) Develop and deliver a Prevention Service targeting our most vulnerable communities

What we will deliver	Measure of Success	Owner	Target Date
1 Present the EDI Annual Report to the Fire Authority.	Members are aware of their commitments and accountabilities under the Public Sector Equality Duty Members aware of progress to date.	Chief Fire Officer	01.09.2020
2 Reduce accidental fires in the home through targeting those people who are at risk due to a range of factors including age, disability and lifestyle.	Reduce accidental fires 1.3 Accidental Dwelling Fires 1.4 Accidental Dwelling Fire Casualties	Heads of Service Delivery	31.03.2021
3 Work with at risk groups and local partners to contribute to the reduction and severity of road collisions in Lancashire. Young People are particularly at high risk of being killed or seriously injured.	Reduce road traffic accidents	Head of Service Development	31.03.2021

4	Ensure our services are accessible and meet the needs of people in the community by ensuring that fire prevention material is linked to a range of risks including cultural risks.	IRMP is informed by disaggregated data and takes into account differential impacts and varying needs	Head of Service Development	31.03.2021
5	Use a wide range of communication channels ensuring our safety messages meet the different needs of our communities in terms of timing of the campaign and types of risk.	Reduction in KPI activity.	Head of Media and Corporate Communications	31.03.2021
7	Attend any FRS hosted conferences and events to identify learning best practice.	Engaged communities who are confident in LFRS aim of keeping them safer	All Heads of Department	31.03.2021
8	Attend Pride events in 2020/2021 promoting LFRS Prevention and Protection work streams and also LFRS as an employer.	Engaged communities who are confident in LFRS aim of keeping them safer	Head of Service Delivery	31.03.2021
10	Ensure the LFRS website complies with New Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018 which will ensure that information is accessible	An inclusive website and apps that meet the new accessibility standard Achieve Web Content Accessibility Guidelines (WCAG) 2.1 Level AA standard for external websites	Head of Media and Comms	31.03.2021
11	Identify opportunities to improve engagement with diverse community groups across Lancashire	Engaged communities who are confident in LFRS aim of keeping them safer	Head of Media and Corporate Communications	31.03.2021

Equality Objectives: Our Workforce

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

What we will deliver		Measure of Success	Owner	Target Date
12	Recruit, promote and retain a workforce which is diverse which meets the needs of the community we service	Identify any key trends in relation to the workforce	Head of Human Resources	31.03.2021
13	Undertake a gap analysis of the Stonewall Workplace Equality Index	The framework helps organisations to review and improve their performance for people with a characteristic protected by the Equality Act	Head of Service Delivery	31.03.2021
14	Review opportunities for making existing working arrangements to be more flexible to meet the needs of families	A workforce which feels inclusive and is more engaged	Head of TOR	31.03.2021
15	Engage and communicate with staff through: Regular engagement with FBU and Unison Supporting external diversity and inclusion networks which promote Equality, Diversity and Inclusion and share Information. Supporting existing internal networks	A workforce which feels inclusive and is more engaged	Chief Fire Officer EDI Steering Group EDI leads	31.03.2021
16	Job Evaluate Green Book posts as per the National Evaluation Scheme.	Ensure equality of pay and grading as per legislative requirements	Head of Human Resources	31.03.2021

17	Respond to the outcomes of the Gender Pay Gap Reporting requirements	A more diverse workforce representative of Lancashire	Head of Human Resources	31.03.2021
18	Develop a strong organisational culture where the behaviours of our leaders are understood and championed with a view to embedding our values.	Strengthen leadership and line management to support organisational change	Head of Human Resources	31.03.2021
19	Increase the numbers of LGBT staff who are open in the workplace.	A more diverse workforce	All Heads of Department	31.03.2021
20	Support relevant campaigns promoting awareness of issues impacting on minority ethnic communities:	A workforce who is engaged and feels valued and contributes to effective decision making	All EDI leads	31.03.2021
21	Update the Wholetime induction with a specific link to the employee voice groups inviting Green Book employees and RDS	A workforce who is engaged and feels valued	Head of TOR	31.03.2021
22	Involve representatives from underrepresented groups in relation to any proposed changes to property:	A workforce who is engaged and feels valued	Head of TOR/Head of SD	31.03.2021
23	Explore flexible working opportunities within 224 stations	A workforce who is engaged and feels valued	Head of Service Delivery	31.03.2021
24	Respond to any equality issues arising from the staff survey 2020	A workforce who is engaged and feels valued	Chief Fire Officer	31.03.2021
25	Scope any new development needs relating to inclusion	A workforce who is engaged and feels valued	Head of Human Resources	31.03.2021
26	Respond to any emerging equality issues emerging from the Covid-19 pandemic	A workforce who is engaged and feels valued Engaged communities who are confident in LFRS aim of keeping them safer	Chief Fire Officer	31.03.2021

This page is intentionally left blank

LANCASHIRE COMBINED FIRE AUTHORITY

RESOURCES COMMITTEE

Meeting to be held on 23 September 2020

ORGANISATIONAL DEVELOPMENT PLAN UPDATE

(Appendix 1 refers)

Contact for further information: Bob Warren, Director of People & Development
Tel: 01772866804

Executive Summary

Attached as Appendix 1 is the updated Organisational Plan for the period until 2021

Recommendation

The Resources Committee is asked to note the report.

Information

Attached as appendix 1 is the updated organisational development plan ending 2021. This document is a dynamic and evolving plan as more issues are identified or their importance increases or decreases and approaches to address deficiencies are progressed. This report identifies current issues that need to be addressed and reflects the position before the impact of the current Covid Pandemic. Changes as a result of this experience will need to be factored into actions taken when fully known and understood and our response determined. As will the developing picture in respect of the apparent deficits in the protection of the built environment impact on our proposals for the Protection activity. Progress will be impacted by the availability of funding. However the plan demonstrates the thrust in respect of organisational development and measures being developed and progressed.

Financial Implications

None directly arising from this report.

Human Resource Implications

This forms part of the suite of documents informing and guiding the Combined Authority's Human Resources policies.

Equality and Diversity Implications

The Authority includes EDI consideration in developing its future policies.

Business Risk Implications

As a Fire Authority whose mission is to make Lancashire Safer providing appropriately skilled staff in the number required is a necessity. Whilst measures taken to efficiently provide that resource provides ongoing value.

Environmental Impact

None.

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

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

LFRS
Organisational Development Plan
2019-2021

1.0 Policy Context of the Organisational Development Plan

Lancashire Fire and Rescue Service (LFRS) is committed to its purpose of “making Lancashire safer.” The Services’ annual priorities are as detailed in our Annual Service Plan 2018 and the Service’s Integrated Risk Management Plan 2017 - 2022 explain LFRS’ vision in terms of how we will achieve this mission of “making Lancashire safer”.

The Organisational Development Plan is part of the suite of plans in addition to Service Order Training 03 Selection, Development and Promotion, the Workforce Plan and the Equality, Diversity and Inclusion Annual Report which explain the interventions which will take place to support the achievement of LFRS mission and values and how we develop all of our employees to provide a safe, competent, healthy and representative workforce who demonstrate LFRS cultural values and behaviours. Individual Departments will also develop discrete training plans for specific areas of focus.

The Organisational Development Plan flows from the overarching strategic plans of LFRS and links people management into the operational business process. Development of the plan has taken into consideration the requirements of the NFCC National Fire and Rescue People Strategy and the recommendations of the Inclusive Fire Service Group.

We define our expectations from staff within our Annual Service Plan and our values define how we STRIVE to achieve our purpose of “making Lancashire safer” by making sure what we do is guided by strong principles of:

- Service: Making Lancashire safer is the most important thing we do.
- Trust: We Trust the people we work with.
- Respect: We respect each other.
- Integrity: We do what we say we will do.
- Value: We actively listen to others.
- Empowered: We contribute to decision making and improvements;

In light of the changing environment in which we operate and the need for a workforce that is equipped to support these changes; one that is confident in its abilities, has adaptable skills and is able to act with authority and responsibility. We are focused on the development of a strong organisational culture based on clear values and leadership.

2.0 Lancashire Fire and Rescue Service

The Lancashire Combined Fire Authority (CFA) is responsible for leading and supporting Lancashire Fire and Rescue Service. The Service employs in the region of 1304 FTE employees in a variety of roles including operational fire fighters, administrators, fire safety, business support and managerial staff, 82% of the Service are employed in a role linked to operations. ¹.

As a Fire and Rescue Authority, LFRS has a statutory and policy framework which details its key functions:

- Prevention and Protection: To prevent fires from happening and protecting people and property, when fires occur.
- Response: LFRS responds to emergencies quickly and competently,

¹ This figure is based on officers with an operational element to their role as at March 2020

- Local and National Resilience: LFRS has the necessary capabilities in place to manage local risks identified in the Strategic Assessment of Risk. When required the Service works with assets from a range of category 1 and category 2 responders in the County as well as National Resilience assets to supplement Decontamination, Pumping, Urban Search and Rescue, Boats and Chemical Detection and Identification.

The objective of the Organisational Development Plan is to:

- Ensure the workforce has the necessary qualifications, knowledge, skills and abilities to deliver its objectives now and in the future.
- Develop a strong organisational culture where our values are understood.
- Develop a diversity of leaders and explain how we will identify and support talented individuals within the Service to fulfil their potential.
- Expand apprenticeship opportunities.
- Provide transparency in explaining how and why LFRS delivered training, 1.4.2019 – 31.3.2020 and our planned areas of focus training and development for 1.4.2020 - 31.3.2021.

LFRS identifies organisational development as “a planned and systematic approach to enabling sustained organisational performance through the involvement of its people”². LFRS identifies itself as a learning organisation; one which learns and encourages learning amongst its staff.

3.0 Training and Operational Review (TOR)

TOR is led and managed by the Head of Training and Operational Review, reporting to the Director of Service Delivery, the Deputy Chief Fire Officer. The role of TOR is to develop, commission and provide training based on the evolving learning needs identified in the Integrated Risk Management Plan. The pastoral care of learners within TOR is a high priority and it aims to provide support, encouragement and information. Progress and regular feedback is provided to learners so that they have the opportunity to achieve their personal best. TOR emphasises positive attitudes and relationships based on mutual respect. TOR is committed to creating and maintaining the ideal learning environment for its learners ensuring that it is inclusive and all learners’ needs are met.

LFRS has its own comprehensive training facility located at Chorley. Complex operational training, which requires particular facilities such as live fires, is delivered at this location; however where possible, training is delivered using a dispersed approach at Fire Stations and other locations throughout the County, in an attempt to minimise travelling and maximise appliance availability. This approach also recognises the mix of operational duty systems, one of which being the On-Call System which comprises some 400 staff who attend training one evening a week for around two hours, at their own station.

TOR delivers training via its own team of Service, Area Based and Associate Trainers, through commissioning external specialists and via sourcing courses from suitable providers. All LFRS Service Trainers complete the Level 3 Award in Education & Training as well as the Level 3 Assessing Competence in the Work Environment. In June 2019, TOR was successful in becoming an Employer Provider to deliver Operational Firefighter level 3 apprenticeships.

² CIPD 2016

3.1 PDRPro

PDRPro, is used to record and monitor individual and organisational competence. As part of this integration of the electronic system, a revised approach to the forward planning of training has been adopted following a Core Skill Thematic Plan, which identifies individual elements to be completed each month. Initial training secures skill/knowledge acquisition but, given the safety critical nature of Fire Service activity, is supported by a robust maintenance of skill system known as PDR Pro. This system attributes frequencies to specific skill and tracks individual employee performance and emerging learning needs. To drive efficient training practices the system is linked to a thematic training plan and an exercise schedule which ensures realistic and engaging training at risk sites across the County.

3.2 LearnPro

TOR manages the Service's online e-Learning system, LearnPro, which is now used by all staff, both operational and business support for initial knowledge acquisition and maintenance of skills. The system contains a number of modules, developed internally, but in collaboration with other regional Fire Services and National sharing platforms, which are allocated to individuals based on their role. When required, the module can be accompanied with a knowledge assessment to validate acquisition. During 2019, the completion of Learn Pro modules became a requirement to maintain continuous professional development payments.

4.0 Qualification Requirements for posts within LFRS

Recruitment to all posts is based on an employee specification which identifies essential qualifications, experience, knowledge, skills and abilities.

4.1 Business Support roles

In the event of the post changing in nature and further qualifications become essential to a post, this would be identified through the appraisal. Staff can ask for support in achieving further qualifications and development to support them in their current role, or their future leadership or promotion aspirations which will be considered in accordance with workforce planning needs.

4.2 Operational roles

As the nature of operational risk becomes more complex, maintenance of skills becomes more challenging. In relation to operational staff the following qualifications are relevant to role based competency.

Firefighter role: The FF Development Pathway is constructed around the National Occupation Standards relevant to the role. For Wholetime staff the pathway is completed in two years. For firefighters who work the retained duty system, the pathway takes four years, but this can be accelerated based on candidate commitment and availability to undertake additional training hours. Operational Firefighter Apprenticeships are delivered against the Occupational Standard and can take up to 2 years dependent on previous levels of competence.

Specialist FF roles: After achieving competent status, subject to posting, Wholetime FFs and Firefighter apprentices (who have successfully completed their apprenticeship) can then take on additional specialist skills which include:

- Urban Search & Rescue Team members and High Volume Pump Operators receive additional training accredited to the National Resilience standards.
- Aerial Ladder Platform, Water Tower, Foam Unit, Command Unit, Hazardous Material & Environmental Protection Unit, Wildfire Units, BA Unit Operators are trained by LFRS Trainers.
- Polaris and Softrack drivers are trained to Industry Standard
- Rope Rescue Team operatives are trained to Industry Standards
- Swift Water Rescue and Boat Operators are trained to RYA and DEFRA standards
- Large Animal Rescue operatives are trained to sector standards

Wholetime Supervisory Roles (Crew and Watch Manger): Recruitment to Wholetime Supervisory roles is via the Supervisory Promotion Board, successful candidates are eligible to act up whilst they complete their development pathway. Further to satisfactory completion of acting up and the development pathway they can be promoted to a Crew or Watch Manager.

Wholetime Middle Manager Roles (Station Managers): Recruitment to Middle Manager roles is via the Middle Manager Promotion Board, successful candidates are eligible to act up whilst they complete their development pathway. Appointment to a permanent post is subject to an Executive Board interview.

Group Manager Roles: Further to interview potential candidates are offered acting up opportunities to develop competence and appointments are made periodically by Executive Board led interviews.

Training roles: These can be held at any Wholetime FF and Supervisory rank (FF, CM, WM) and include additional role based qualifications as listed below. On-call staff are able to apply for these roles, but it is recognised that only a few are able find sufficient time to attend the required training to develop and maintain these skills (when balanced against primary employment and family life):

- Area Based Trainer
- Award in Education and Training Level 3
- Assessing Competence in the Workplace Level 3 (formally TAQA)
- Internal Quality Assurance of Assessment Processes Level 4
- Breathing Apparatus Instructor (BAI)
- Road Traffic Collision Instructor (RTCI)
- Compartment Fire Behaviour Instructor (CFBTI)
- Positive Pressure Ventilation Instructor (PPVI)
- Large Animal Rescue Instructor (LARI)
- Swift Water Rescue Instructor (SRTI)
- Physical Training Instructors Level 2
- Physical Training Instructors Level 3
- Special Appliance Instructors;
- High Volume Pump (HVP)
- Hazardous Material Unit (HMU)
- Rope Rescue Instructor (RRI)
- Confined Space Instructor
- Safe Working at Height Instructor
- Aerial Ladder Platform (ALP)
- Multi Terrain Vehicle Instructor
- Quad Bike Instructor
- Boat Instructor

Specialist roles: These are additional skills which are attainable once an individual is competent in role. These can be held at any Supervisory and Middle Management rank (FF, CM, WM, SM, GM) and, include additional role based qualifications including;

WMB Incident Intelligence Officers

- Advanced Fire Investigator (Level 5 UCLAN)
- Advanced Professional Award in Expert Witness Evidence (APAEWE)
- Civil Aviation Authority accredited Unmanned Ariel Vehicle Pilot training
- Level 3 Certificate in Fire Safety (SFJ)

Fire Protection Staff

- Business Safety Advisor (CM or Green Book) Level 3 Certificate in Fire Safety (SFJA)
- Inspecting Officers (WMA or Green Book) Level 4 Diploma in Fire Safety (IQ Awards)
- Team Leader (WMB) Level 5 Diploma in Fire Safety (SFJ) or equivalent

Station Manager

- Water Incident Management (Rescue 3)
- Hazardous Materials Environmental Protection Officer (HMEPO)
- Radiation Protection Supervisor
- National Incident Liaison Officer (NILO)
- National Resilience Tactical Advisor
- Command Support Room Officer

Group Manager

- National Incident Liaison Officer (NILO)
- Water Incident Management (Rescue 3)
- Project Management (not accredited)
- Radiation Protection Supervisor
- Airwave Tactical Advisor

Fire Safety Roles

For those individuals who wish to pursue a career in Fire Safety, a Fire Safety development pathway has been specifically developed; posts are advertised ring-fenced to Fire Safety and successful candidates complete the Fire Safety development pathway.

In light of the introduction of the NFCC revised Competency Framework for Fire Safety Regulators and subsequent publication of the Independent Review of Building Regulations and Fire Safety – Building a Safety Future, the Service has reviewed its current approach to training and development for staff employed within Protection Services.

The new framework, will require all Fire Safety Regulators who are responsible for the higher risk premises are to be independently assessed by and registered with a professional body. All Fire Safety Regulators who undertook training prior to the original Competency Framework being published in 2013 are to undergo recognised prior learning assessment to ensure equivalence with current competency standards. All Fire Safety Regulators are to adhere to a specific code of ethics which are encapsulated in the behaviours required to demonstrate competency. All Enforcing Authority managers responsible for the development of Fire Safety Regulators, quality assurance and oversight of technical fire safety work should be fire safety competent.

The Service has developed a specific development plan aimed at addressing and gaps in the Lancashire position as against the new Framework.

5.0 Review of Organisational Development: 1.4.2019 – 31.3.2020 and areas of development priority: 1.4.2020 – 31.3.2021

As part of the corporate planning process a PESTLE identifies the changes, challenges and opportunities LFRS is facing. Through this process there is a good understanding of the skills, capabilities and also the skills gaps that exist in delivering the Service at a leadership and operational level.

5.1 Leadership and Management

5.1 (i) LFRS approach to Leadership and Management - Leadership Framework

LFRS has recognised the importance of leadership and developed a leadership framework which is aligned to that of the National Fire Chiefs Council, but which also focuses on those behaviours which will create an organisational culture where people want to work, feel safe and respond positively to change. The Framework was launched via a Service Management Development day in November 2019.

The delivery of the framework is supported by the Services appraisal process which encourages honest conversations in relation to what has gone well, challenges, training needs and aspirations.

Effective leadership is about developing a vision for the future, as well as understanding the current needs of LFRS. LFRS recognises outstanding leaders as those who engage with others, energize them to overcome barriers, build confidence and trust and use coaching and support to deliver innovation, successful performance and great community service. Leaders should be willing to challenge poor behavior wherever it occurs.

It is recognised that the changing nature of the Service in terms of being a broader public sector partner, the complexity and type of incidents that staff will respond to, may need a different set of skills and capabilities. Central to the development of leadership capability are LFRS values (Service, Trust, Respect, Integrity, Valued and Empowered) which sit at the heart of all leadership principles. They underpin all communication and implementation activity associated with leadership.

Our leadership priorities are to deliver:

- High performing teams.
- Inclusive, pleasant and safe places where people want to work.
- Teams which are able to respond positively to change; delivering Services collaboratively that meet the needs of the communities of Lancashire.
- Leaders who are skilled now and in the future.

Understanding leadership is about setting a positive, ambitious and realistic future for the team, ensuring everything we do is linked to organisational plans and values and is for the benefit of the residents of Lancashire. Developing leadership is about establishing an ethos of continuous professional development to deliver high quality services with an outcome focused approach, developing people to achieve their fulfil potential. Displaying leadership is about engaging with staff, valuing the health and wellbeing of staff and valuing different views, ideas, knowledge and skill sets.

5.1 (ii) LFRS approach to Leadership and Management – Formal Qualifications

Operational Supervisory Managers undertake the ILM level 3 and additional development in coaching, performance management, confident conversations and social media. Operational Middle Managers undertake the ILM level 5. Support Managers can also access the ILM level 3 and 5 as appropriate. During 2019/2020 the Service supported 14 operational members of staff to access ILM

level 3 and 10 operational members of staff to access ILM level 5. The Service supported 1 support members of staff to access the ILM level 3 via an apprenticeship and 1 to access the level 5 via an apprenticeship.

Those in a senior leadership role can apply and are supported subject to resources being available undertake additional development in relation to leadership, during 2019/2020 the Service supported 1 operational leader and 1 support leader to access the Level 7 in strategic leadership via an apprenticeship.

During 2020/2021, the Service will continue to support supervisory and middle managers in undertaking the level 3 and level 5 supervisory and middle manager qualifications and managers who wish to pursue the option of a level 7 qualification subject to funding availability.

The Service recognises that formal qualifications are just one strand in relation to the development of our leaders and additional courses are offered to develop the softer skills of those in a managerial role, this will continue subject to Covid-19 restrictions.

5.1 (iii) LFRS approach to Leadership and Management – Coaching

During 2019/2020, a one day development day on coaching was made compulsory for those attending the Supervisory Development Programme. In addition, during 2019/2020 LFRS launched external coaching. In 2019/20, 27 members of staff have accessed external coaching; 17 operational members of staff and 10 support members of staff. The evaluation which was undertaken in August 2019, identified that participants felt they benefitted from speaking to someone not directly involved in their job role; being made more aware of their behaviour and have encouraged others to take up the opportunity. During 2020/2021 the service will continue to make coaching available to Green and Grey book members of staff.

5.1 (iv) LFRS approach to Leadership and Management – Mentoring

LFRS has recognised that it needs to provide a safe environment where an individual can share issues that affect their development. Line Managers will deal with specific learning goals and competencies; however the mentoring process seeks to focus beyond those areas including developing self-confidence. Mentors are available to those on the Potential Middle Manager Development Programme. New firefighters are also paired up with a mentor for the duration of the Firefighter Development Programme. During 2019/2020, 4 members of staff accessed a mentoring course, all 4 were operational members of staff. 5 people on the middle management development programme were given access to a mentor. 20 Firefighters also received specific mentoring training to become mentors for new recruits. 1 member of support staff also completed a Level 5 Coaching and Mentoring qualification. During 2020/2021 the Service will also continue to make mentoring available.

5.1 (v) LFRS approach to Leadership and Management – Leadership Development Event

Further to feedback from participants from our last leadership conference we have developed our conference into leadership development events. The Service launched its Leadership Framework in November 2019 via a Service management Team development day. It was proposed to promote the Framework via the Leadership development events planned for April 2020, but these had to be cancelled due to Covid-19. The Framework has been promoted using the Engine House and Our Service, our Plans promotional materials. We continue to embed the Leadership Framework by including it in our development programmes and our recruitment and promotional materials.

6.0 Apprenticeships

An apprenticeship combines employment and training. The Service supports the government 2020 vision for training a highly skilled workforce through an increase in the quality and quantity of apprenticeships in England. We aim to increase the number of apprentices we employ subject to the availability of new national standards.

LFRS has committed to all new entry vacancies up to scale 4 or below within Support Departments being considered for an apprentice. As at March 2020, LFRS had 9 non-operational apprentices, 5 existing members of staff have been on an apprenticeship development programme. The Service is now an employer provider for the Operational Firefighter Apprenticeship and 18 operational firefighter apprentices commenced their programme September 2019 and are now based on Station whilst they complete the rest of their programme of development. A further 24 operational firefighter apprentices are due to commence their apprenticeship in September 2020.

7.0 Performance Management

During 2019, the Service implemented a revised performance management arrangements focused on the "Appraisal Conversation" where staff and leaders have open and honest conversations in relation to behaviour and performance. This has now been built into the Services' self-service Human Resources system and will be launched subject to training being delivered in light of Covid-19 during 2020/2021.

8.0 Equality, Diversity and Inclusion

Further to the development on ELearning in relation to Equality, Diversity and Inclusion we will continue to ensure that all members of staff complete the training and identify any further requirements throughout the year through the Equality, Diversity and Inclusion Steering Group. The Service has utilised the Black Lives Matter campaign to promote positive messages in relation to the promotion of Inclusion.

9.0 Use of New Technology

Through LFRS approach to project management we will ensure training needs are fully considered prior to the utilisation of new technology. Staff have been accessing IT training from Lancashire County Council (LCC) and 18 have attended for Microsoft courses in 2019/2020. 167 on-call staff have accessed PORIS 2 training. Further to identifying digital skills as an area of development for our staff we have also promoted the availability of Microsoft Office Learn Pro modules via the intranet and we have promoted the availability and accessibility of courses in relation to Microsoft Office. We will continue to do this during 2020/21.

10.0 Wellbeing and Support

LFRS has a strong commitment to staff morale and wellbeing at all levels of the workforce. With change comes uncertainty and there is a need for staff to be resilient and able to respond positively to that change.

Workplace Wellbeing Tool Box Talks commenced in quarter 2 in 2019 to promote physical and mental health wellbeing, these are an opportunity to further raise awareness of TRiM, embed the Employee Assistance Programme, share best practice on managing PPE contaminants. There are 91 talks planned, 55 of these have been undertaken so far. In addition the Health and Wellbeing Section has been updated in the Intranet with a whole range of resources signposting staff to support in relation to a range of issues which may affect them.

Further to the Covid-19 Pandemic these resources were updated, and Corporate Communications undertook consultation with members of staff ensuring that the Service was meeting their Health and Wellbeing needs, providing the right type of support and responding to anxiety issues associated with the lockdown.

11.0 Safety, Health and Environment

Our programme of development in relation to Safety Health and Environment will continue as last year. All new employees, as part of their induction training, are required to complete Safety, Health & Environment training according to their role. Non managers complete the British Safety Council General Health Safety & Environment E-Learning Module. Line Managers complete the IOSH Managing Safely via E-Learning or face to face delivery as preferred followed by a one day course delivered by the Service's Safely, Health and Environment Department covering LFRS-specific SHE policies and procedures. All employees are required to complete SHE refresher training three-yearly and this is delivered by e-learning on the Service's LearnPro system.

Training completed in the year April 2019 - March 2020 included;

BSC General Health Safety & Environment Awareness
IOSH Managing Safely (LearnPro or face to face)
SHE Refresher led by SHE staff
IOSH Leading Safely
LFRS Managing SHE Refresher (LearnPro)
LFRS SHE Refresher (Non operational LearnPro)
LFRS SHE Refresher (Operational LearnPro)
Distress Management & Self Care (MIND)
LFRS Stress Management (LearnPro)
TRIM refresher training for TRIM Practitioners
Area Based Specialist Instructor Training
Princes Trust Team Health and Safety Awareness

Additional health and safety training has also been provided for Cadet Instructors during 2019/20.

12.0 Safeguarding: update

The following Safeguarding Training has been delivered 2019-2020:

- The Safeguarding Toolbox Talk was produced and delivered by CFS to 231 Ops staff
- The mandatory Safeguarding eLearning training programme is monitored and staff who have not completed this are contacted individually to ensure they complete it, safeguarding is also included as part of the New Recruits training
- The Safeguarding eLearning package has been refreshed to reflect our updated process flow and has been re-procured for a further 3 years

The following Awareness activity has been undertaken in relation to safeguarding:

- A new poster, called Safeguarding ABCDE was produced and uploaded onto the MDTs, included on the Engine House and sent to all SDMs to display on all stations. Updated process flows were laminated and sent to every SDM to display in their station.
- P&P Service Order 3.6 was also updated.
- Safeguarding reminders were displayed on all Station Screens
- Safeguarding cards continued to be provided to every new member of staff
- Awareness talks provided at Area Team meetings

- The Prevention Support Team sitting within the MASH to increase their awareness of the external safeguarding process

National Safeguarding Awareness Week took place 18 022 November and the Prevention Support Team visited 14 stations to provide face to face talks on safeguarding to 121 staff.

13.0 Meeting the development needs of Support staff

The Learning and Development Section has been updated on the Engine House giving information to staff in relation to how to access development opportunities and what is available. The availability of courses has been promoted to members of staff during 2019/2020 and representatives from the Training Department have attended team meetings to promote the range of opportunities available.

From 1 April 2019 -31 March 2020 the following development opportunities were accessed by support members of staff.

Course	Number Attended 2019/2020
Report Writing	12
Providing Great Customer Service	4

14.0 Prevention

The Prevention Seminar on 2 April 2019 included a session on ACEs (Adverse Childhood Experiences) and SUMO (Building personal resilience and responding to change) in the afternoon. The 12 November Seminar was focused on Partnership working with an engagement event in the morning and then County Lines training in the afternoon. The April 2020 Seminar was cancelled due to Covid-19 with a planned theme was vulnerable people, this will be reorganised when it is safe to do so

15.0 Protection

Royal Assent of the Fire Safety Bill is planned for January 2021, it establishes FRS' as part of the new joint Building Regulator for High Risk Residential Buildings further extending enforcement duties and powers to all parts of the building 'lifecycle'. The revised Competency Framework for Fire Safety Regulators makes a number of recommendations on fire safety officer competence and more broadly as regards the protection role played by firefighters and other technically competent people.

The Service has already undertaken some training for members of staff

Protection Activity will be linked and embedded in all relevant role both at point of entry and in-career development. This includes Wholetime Operational and Community Safety staff

Business Safety Advisors as the Fire Safety Advisor will offer advice and educate those responsible for fire safety in low risk simple premises. Business Safety Advisors will attend and complete their Level 3 Certificate in Fire Safety.

Fire Safety Inspectors will attend and complete the Level 3 Vertificate (Initial course) followed by the Level4 Diploma in Fire Safety

The Fire Safety Team Leader will be the Fire Safety Competent Manager, this person will be responsible for the oversight of the development of Fire Safety Regulators, quality assurance and vetting of technical fire safety work. The Fire Safety Team Leader is required to complete the Level 5 Diploma in Fire Engineering Design.

Further to LFRS gap analysis additional training needs have been identified relating to cladding systems, emergency evaluation alarm systems, regulation of freehold/leasehold premises. Additionally staff qualified prior to 2013 will need to undertake Recognised Prior Learning Assessment.

16.0 First Aid and Trauma

A contract for the provision of Clinical Governance was signed in November 2019 with Trauma Resuscitation Limited to provide LFRS with Clinical Governance. A Gap analysis was completed and training was due to commence April 2020. However due to COVID19 this was not started and this is now programmed to start at the end of September.

17.0 Command and Control Training and Assessment:

Incident Command Training has been progressed over the last 12 months with the introduction of a new policy (TRA 06) and completion of an upgrade in IT equipment within the Incident Command Suite. The development of the Fire Studio Application and the use of software to further immerse candidates have had positive feedback.

The aims over the next 12 months are to upskill our Area Based Trainers to create a range of scenarios to develop and assess all levels of Officer within the organisation in line with national guidance and to continue to provide Officers who work the RDS duty system access to Incident Command themes workshops and progress FDO revalidation and CPD.

18.0 Driver Training:

TOR Driving School provides training for a range of traditional and specialist driving activities including: light vehicles, winter driving, 4 by 4, LGV, LGV Specific, emergency response, trailers, Emergency Response driving etc.

The table below shows the training delivered April 2019 – March 2020

Course Type	Courses Delivered	Training Days
LGV Initial	28	140
Emergency Response Driver Training – Initial	26	100
Emergency Response Driver Training – Initial Officer & IIO	5	16
Emergency Response Driver Training – 6 Month Assessment (Officer, IIO & LGV)	32	25
Emergency Response Driver Training – LGV Refresher	130	130
Emergency Response Driver Training – Officer Refresher	23	23
4 x 4 Initial	9	9
4 x 4 Refresher	26	17

ALPS (introduction of new equipment)	9	6
Water Tower (introduction of new equipment)	6	2
Hose Layer Unit (introduction of new equipment)	0	0
Boat Trailer training (introduction of new equipment)	29	12
Wildfire Van (introduction of new equipment)	2	3
LGV & Special pass out assessment	0	0
Driver Training Mini Bus/Trailers and other ad hoc driver training for department specific needs	21	5
LGV & Special Pass Out Assessment	42	35
Driver Training Mini Bus / Trailers and other ad hoc driver training for department specific needs	23	12

19.0 Qualifications

Fire and Rescue activity covers such a broad range of undertakings that the Training and Operational Review Department have to deliver or commission a very wide range of training and award qualifications and at all times does so broadly in accordance with the Fire Professional Framework (<http://fireprofessionalframework.co.uk/>).

20.0 Identifying future talent

The Service has currently utilises a number of ways in which to identify talent:

- Regular, open and meaningful conversations between staff and line managers, plus the annual appraisal process gives all members of staff (Grey and Green Book) the opportunity to discuss their role within the Service, future aspirations and training needs.
- The Supervisory and Middle manager Promotion Boards for Grey Book members of staff identify those individuals who have demonstrated potential through an assessment process to be future Crew, Watch and Station Manager.
- The Workforce Planning issues and challenges to the Service and development opportunities in relation to Grey Book members of staff are discussed at the Workforce Planning meeting attended by Area and Group Managers.

During 2019, the Service reviewed the NFCC Tool Kit and developed a Talent Management Tool and this is being used to identify future potential within the Service and development opportunities. Due to Covid-19 there have been challenges in engaging with leaders across the Service in terms of its use. The use and the embedding of the tool will be developed during 2020/2021.

21.0 Development of Training Hubs

We have already achieved enhanced training facilities in Pennine and Eastern by virtue of the training assets provided on two of our PFI stations. Arrangements in Central and Southern are linked closely to facilities provided at Service Training Centre. The development of a Training Hub in Northern Area

has been put on hold due to escalating costs and concerns around the extent to which the prop would be utilised based on the “Smaller teams” approach to training developed in response to Covid-19.

22.0 National Operational Guidance

(i) National Operational Guidance

A significant piece of work which will continue into the future, is the National Operational Guidance (NOG) Programme, working to deliver new online operational guidance that is consistent, easily accessible and can be quickly revised and updated if necessary. The information from within the National Operational Guidance (NOG) will form the LFRS Standard Operating Procedures (SOPs) designed to replace operational Service Orders. These SOPs alongside NOG Training Specifications will form the basis of all future operational training and development.

The Joint Emergency Services Interoperability Programme (JESIP) was established to address findings following major national emergencies and disasters, where emergency services carried out their individual roles efficiently and professionally, but areas for improvement were identified relating to joint working. A JESIP joint Doctrine was produced setting out an interoperability framework and standard approach to multi-agency working, along with training and awareness products for organisations to train their staff. Training has been provided to LFRS staff alongside colleagues from NWS and Lancashire Constabulary, who have all received initial training and regularly utilise their JESIP knowledge and understanding during incidents and training requiring a multi-agency response. A recent national review identified that further work was required to embed JESIP principles in the working practices of all roles and TOR now ensure all training and e-learning material promotes JESIP approaches.

The service has a good record of providing training to meet each individual’s technical role requirements and the arrangements associated with the introduction of new equipment into the service will be reviewed in line with changes made to the Training & Operational Review Department.

(ii) Airwave Communication System

Over the next couple of years the current Airwave communications system and network will be replaced on a National basis with a new 4G enabled system with expected transition between 2021-2023. This will create training needs for operational staff. LFRS staff are integral within this national project and will be responsible for training all LFRS staff once the replacement system has been procured. Although no dates have been set, the training plan stipulates that LFRS will complete the training of all relevant staff within a three month period. All training materials will be provided to Services and training will be provided using the ‘Train the Trainer’ model of delivery.

23.0 Recruits Course (On call) 2 week course

LFRS aspires to have a workforce which is diverse, recognising that we need staff who have different experiences and complementary skills. On Call staff turnover is currently circa 50 to 60 staff per year. To ensure On-call recruitment and training is agile and sized sufficiently to meet this need TOR preferred 24 candidates on a course rather than 32. During 2019/2020 we ran 3 On Call courses and recruited 68 new recruits. Going forward it was agreed that there would be 2 recruitment campaigns and 4 courses, therefore 2 back to back courses in each campaign accommodating 24 candidates on each course, giving an annual capacity of 96. Due to Covid 19, in campaign 1, 2 courses would take place but only 12 candidates could be accommodated on each course rather than 24.

24.0 Budgetary Spend 2019/2020

Expenditure for the Training and Operational Review Department which includes employee costs and expenditure for the running of the Service Training Centre in 2019/2020 is £4.1m.

25.0 Evaluation Methods

Assessment is an essential component of the LFRS Training Strategy to ensure competence in the workplace, the current quality assurance system in place to manage this is being enhanced both in terms of staff with relevant assessing qualifications and the framework in which they operate.

Non-operational courses are assessed using the Kirkpatrick evaluation model; the majority of training evaluation used within LFRS is at Levels 1 and 2, with some evaluation at level 3. The service uses a range of evaluation tools dependent upon the training being delivered. These comprise of end of course evaluation sheets, written assessments, Survey Monkey reflection sheets, post course follow up reports, self-reflection, manager feedback and qualification achievement.

The extent to which the Quality assurance framework can be deployed beyond TOR and across a range of courses will be linked to the resource allocation to TOR to support the 2019/20 Training Plan.

Appendix A

1 April 2019 – 30 April 2020

Course Type	Number Attended	Total Number of Training Days Completed
Breathing Apparatus	1069	1941.5
Core Firefighting	1669	3453.5
Driving	586	1800
First Aid	421	933
Health & Safety	216	197.5
Incident Command	804	1004
IT & Systems	114	97
Non Operational	714	585.5
Organisational Development	3051	2713.5
Special Appliance	195	502
Specialist Function	551	921
Specialist Rescue	480	1030

Training Year 1st April 2019 - 31st March 2020

Course	Number Attended Grey Book	Number Attended Green Book
Mentoring (course title Coaching & Mentoring Skills)	4	
LCC MS Office courses	18	
ILM Level 5 Leadership & Management	12	

By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank