LANCASHIRE COMBINED FIRE AUTHORITY

Monday, 22 February 2021 at 10.00 am - Virtual Meeting accessible via MS Teams and YouTube (as a live webcast)

MINUTES

PRESENT:

F De Molfetta (Chairman)

Councillors

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

115/19 CHAIRMAN'S WELCOME AND INTRODUCTION

The Chairman, CC Frank De Molfetta welcomed Authority Members and members of the press and public to the virtual committee meeting of the Lancashire Combined Fire Authority. He advised that in response to the Covid-19 Pandemic the Government had made regulations that enabled virtual meetings. This meeting was accessible for Committee Members via Microsoft Teams and for members of the press and public via a live webcast on YouTube.

Mr Mark Nolan, Clerk to the Authority conducted a roll call and Authority Members individually confirmed their attendance.

116/19 APOLOGIES FOR ABSENCE

Apologies were received from: Councillor Mohammed Khan and County Councillor Liz Oades.

117/19 DISCLOSURE OF PECUNIARY AND NON-PECUNIARY INTERESTS

A personal interest was declared by County Councillor M. Pattison outside the meeting as an employee for Ageconsulting who supported the Authority’s Champion responsible for older people.

The Clerk and Monitoring Officer to the Authority notes that this is recorded by Councillor Pattison on the Member’s Register of Interests and is satisfied that for the purposes of the Authority Meeting there is no conflict of interest.

118/19 MINUTES OF PREVIOUS MEETING

RESOLVED: - That the Minutes of the CFA held on 14 December 2020 be confirmed and signed by the Chairman.

119/19 MINUTES OF MEETING WEDNESDAY, 16 DECEMBER 2020 OF PERFORMANCE COMMITTEE

RESOLVED: - That the proceedings of the Performance Committee held on 16 December 2020 be noted and endorsed.

120/19 HER MAJESTY'S INSPECTORATE OF CONSTABULARY AND FIRE AND RESCUE SERVICES (HMICFRS) UPDATE

The Assistant Chief Fire Officer presented the report. Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) completed a Thematic Inspection of Lancashire Fire and Rescue Service (LFRS) in September 2020. On 22 January 2021, the thematic report as now considered by Members was released alongside a covering national report which summarised the findings across the sector. This was the first of three reports expected from HMICFRS in the first quarter of 2021. The second report was HMICFRS findings of the phase 1 Inquiry into Grenfell Tower which had now been received and the third was the annual State of Fire and Rescue report, due March 2021.

Lancashire Fire and Rescue Service (LFRS) received a positive inspection from HMICFRS. The inspection was a light touch and looked at how the Service had delivered its functions safely and how it worked for the greater good of the community alongside partners. The report noted how prevention and protection work continued, albeit in a modified capacity and how the Service worked with its partners in the Local Resilience Forum (LRF) providing structure, support and logistics. LFRS had successfully engaged with unions such as the Fire Brigade Union and Unison and was able to put in place effective plans in line with requests from partners in the LRF, many of which came under the tripartite agreement. LFRS was also praised for wellbeing support to staff which was supported by all levels of management and the ability to communicate with staff at all levels using a variety of innovative methods.

LFRS was graded 'outstanding' in the round 1 inspections for culture and values. This further positive result arising from the Thematic Inspection would contribute to grading under the round 2 inspection. Based on latest information available, it was expected that the outcome report from LFRS' inspection would be published in summer 2022 and tranche three reports in winter 2022, followed by the third State of Fire and Rescue Report in 2023.

In response to a request from County Councillor Pattison regarding how the Service identified the most vulnerable, the Assistant Chief Fire Officer advised that the Service worked on a day to day basis with the local authorities as key referral partners into the Service for vulnerable people at risk from fire; this was the basis of the circa 20,000 safe and well visits undertaken per year. In addition, the 3 upper tier authorities also had arrangements for the Service to refer a vulnerable person back to them. At the start of the pandemic last year, under the tripartite arrangements LFRS staff also visited 5,000 clinically vulnerable people to ensure they had access to necessities (medicines and food etc) which was hugely successful and remained ongoing. He confirmed that the Service was still meeting critical needs and whilst a covid secure risk assessment applied, where the risk from fire and harm was significant a visit was made by the Service.

The Assistant Chief Fire Officer advised anyone who had concerns about a member of the public to contact their local authority via the information on the relevant local authority website or the Service website.

RESOLVED: That the Authority noted the report.

121/19 PAY POLICY STATEMENT FOR 2021/22

The Director of People and Development presented the report. In accordance with the provisions of the Localism Act 2011 a pay policy statement for 2021/22 was considered by Members.

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

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

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

The statement included: -

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

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

RESOLVED: - That the Pay Policy Statement be approved.

122/19 TREASURY MANAGEMENT POLICY AND STRATEGY 2021/22

The Director of Corporate Services / Treasurer presented the report that set out the Treasury Management Policy and Strategy for 2021/22.

Statutory Requirements
The Local Government Act 2003 (the Act) and supporting Regulations required the

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

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

Treasury Management Strategy for 2021/22

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

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

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

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

Setting the Treasury Management Strategy for 2021/22

In setting the treasury management strategy the: economic forecasts, interest rate forecasts, the current structure of the investment and debt portfolio and the future capital programme and underlying cash forecasts were considered.

Economic Context

The impact on the UK from coronavirus, lockdown measures, the rollout of vaccines, as well as the new trading arrangements with the European Union (EU), would remain major influences on the Authority’s treasury management strategy for 2021/22.

The Bank of England (BoE) maintained Bank Rate at 0.10% in December 2020 and Quantitative Easing programme at £895 billion having extended it by £150 billion in the previous month. The BoE also forecast the economy would now take until Q1 2022 to reach its pre-pandemic level rather than the end of 2021 as previously forecast.

UK Consumer Price Inflation (CPI) for November 2020 registered 0.3% year on year, down from 0.7% in the previous month.

Interest Rate Forecast and Prospects for Market Liquidity
The treasury management consultant Arlingclose was forecasting that BoE Bank Rate would remain at 0.1% until at least the first quarter of 2024. The risks to this forecast were judged to be to the downside as the BoE and UK government continued to react to the coronavirus pandemic and the new EU trading arrangements. Members considered the latest forecast as presented in the report. It was noted that the Authority could borrow at 80 basis points above the gilt yield, for example a fixed interest rate to borrow PWLB money for 10 years would be 1.05%, 0.25% plus 0.80%.

Current Treasury Portfolio Position
At the 31 December 2020 the debt and investments balances were: -

Debt	Principal £m	%
Fixed rate loans from the Public Works Loan Board	2.000	100%
Variable rate loans		-
	2.000	100%
Investments		
Variable rate investments with Lancashire County Council	24.110	61.6
Fixed rate investments	15.000	38.4
	39.110	100%

The level of investment represented the Authority's cumulative surplus on the General Fund, the balances on other cash-backed earmarked reserves and a cash-flow balance generated by a surplus of creditors over debtors and by grant receipts in advance of payments. There was a net investment figure of £37.110m.

Borrowing and Investment Requirement
In the medium term LCFA borrowed for capital purposes only. The underlying need to borrow for capital purposes was measured by the Capital Financing Requirement (CFR), while usable reserves and working capital were the underlying resources available for investment. The table in the report compared the estimated CFR to the debt which currently existed, this gave an indication of the borrowing required. It also showed the estimated resources available for investment. An option was to use these balances to finance the expenditure rather than investing, often referred to as internal borrowing. The table in the report gave an indication of the minimum borrowing or investment requirement through the period.

The CFR forecast included the impact of the latest forecast of the funding of the Capital Programme which currently assumed there would be no borrowing in the next three years. A voluntary MRP was made in 2019/20 to take the future loans element of the MRP to nil.

CIPFA's Prudential Code for Capital Finance in Local Authorities recommended that the Authority's total debt should be lower than its highest forecast CFR over the next three years. However, the table in the report showed that the level of loans was above the CFR at 31.3.20. This was the result of the Authority adopting a policy of setting aside additional Minimum Revenue Provision (MRP) in order to generate the cash to repay loans either on maturity or as an early repayment. The table indicated that rather than having a need for borrowing it was estimated that the Authority had an underlying need to invest although the available balances were forecast to reduce.

Although the Authority did not have plans for new borrowing in the next three years it did currently hold £2.0m of loans as part of its strategy for funding previous years' capital programmes. The draft capital programme, reported elsewhere on the agenda, identified a borrowing requirement in 2025/26.

Borrowing Strategy
The draft Capital Programme implied there may be a requirement to use borrowing to fund the capital programme in the later years. At this stage it was extremely unlikely that borrowing would be required in 2021/22. However, it was still best practice to approve a borrowing strategy and a policy on borrowing in advance of need. In considering a borrowing strategy the Authority needed to make provision to borrow short term to cover unexpected cash flow shortages or to cover any change in the financing of its Capital Programme. In the past the Authority had raised all of its long-term borrowing from the Public Works Loan Board, but if long term borrowing was required other sources of finance, such as local authority loans, and bank loans, would be investigated that may be available at more favourable rates. Short term borrowing if required would most likely be taken from other local authorities.

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

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

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

Debt Restructuring
The Authority’s debt had arisen as a result of prior years' capital investment decisions. It had not taken any new borrowing out since 2007 as it has been utilising cash balances to pay off debt as it matured, or when deemed appropriate with the Authority making early payment of debt. The anticipated holding of debt at 31 March

2021 was £2.0m. All the debt was from the Public Works Loans Board (PWLB) and was all at fixed rates of interest and was repayable on maturity. This debt was taken out in 2007 when the base rate was 5.75% and when the Authority was earning 5.84% return on its investments. Given the high interest rates payable on these loans, relative to current interest rates, the opportunities for debt repayment/restructuring had again been reviewed.

The level of penalty applicable on early repayment of loans now stood at £1.180m.

Outstanding interest payable between now and maturity was £1.407m.

However, any early repayment meant that cash balances available for investment would be reduced and hence interest receivable would also be reduced. The extent of which was dependent upon future interest rates. It was estimated that if interest rate on investments were at 0.7% over the remaining period of the loan then repaying the loans now would be broadly neutral.

It was noted that the capital budget allowed for additional borrowing within the next 5 years. Current long-term borrowing rates were 1.67% for a 25-year loan and 1.49% for a 50-year loan, both of which exceed the breakeven position noted above. Hence given the penalties it was considered beneficial to retain these loans.

Investment Strategy
At 31st December 2020 the Authority held £39.110m invested funds, representing income received in advance of expenditure plus existing balances and reserves. During the year the Authority's investment balance had ranged between £28.6m and £52.0m. The variation arose principally due to the timing of the receipt of government grants. It was anticipated that similar levels would be maintained in the forthcoming year.

Both the CIPFA Code and the MHCLG Guidance required the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money was to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk receiving unsuitably low investment income.

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

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

Regarding the risk of investing with another local authority, only a very few authorities have their own credit rating. Any lender to a local authority had protection, under statute, by way of a first charge on the revenues of that authority. No local authority had ever defaulted to date and this also may be an indication of security. However, following the downgrade of the UK credit rating by the rating agencies those local authorities with a rating saw a reduction in their ratings. Therefore, consideration had been given to reducing the risk associated with the investment with other local authorities. Arlingclose, the County Council's Treasury Management advisor, stated they were "comfortable with clients making loans to UK local authorities for periods up to two years, subject to this meeting their approved strategy. For periods longer than two years we recommend that additional due diligence is undertaken prior to a loan being made." On that basis it was proposed that the investments to local authorities be limited as follows:

	Maximum individual investment (£m)	Maximum total investment (£m)	Maximum period
Up to 2 years	5	30	2 years
Over 2 years	5	25	10 years

The investment in LCC as part of the call account arrangement was excluded from the above limits. The balance on that account was dependent upon short term cash flows and therefore did not have a limit.

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

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

The Authority currently had access to a call (instant access) account with a local authority, which paid bank base rate, this is currently 0.10%. Each working day the balance on the Authority's current account was invested to ensure that the interest received on surplus balances was maximised.

In addition, longer term loans had been placed with UK local authorities to enhance the interest earned. To this end at the following investments were already impacting 2021/22.

Start Date	End Date	Principal	Rate	Interest 2021/22
10/12/19	10/06/21	£5,000,000	1.20	£11,506
20/04/20	20/04/22	£5,000,000	1.45	£72,500
24/04/20	25/04/22	£5,000,000	1.45	£72,500

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

3 month investment	0.05-0.11%
6 month investment	0. 05-0.15%
12-month investment	0.12-0.28%
3-year investment	0.53-0.68%
4-year investment	0.62-0.77%

The overall combined amount of interest earned on Fixed/Call balances as at 31st December 2020 was £0.197m on an average balance of £42.6m at an annualised rate of 0.61%. This compared favourably with the benchmark 7 day LIBID rate which averaged 0.12% over the same period, and was 0.51% above the current bank rate.

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

The Authority would assess their MRP for 2021/22 in accordance with guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003.

The Authority made a voluntary MRP in 2019/20 and it was anticipated that the MRP on loans would be nil in 2021/22 this would be the case until capital expenditure was financed by borrowing.

Whilst the Authority had no unsupported borrowing, nor had any plans to take out any unsupported borrowing in 2021/22 it was prudent to approve a policy relating to the MRP that would apply if circumstances changed. As such in accordance with the Local Government Act 2003, the MRP on any future unsupported borrowing would be calculated using the Asset Life Method. This would be based on a straightforward straight – line calculation to set an equal charge to revenue over the estimated life of the asset. Estimated life periods would be determined under delegated powers. To the extent that expenditure was not on the creation of an asset and was of a type that was subject to estimated life periods that were referred to in the guidance, these periods would generally be adopted by the Authority. However, the Authority reserved the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

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

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

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

	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m
Interest payable	0.090	0.090	0.090	0.090
MRP	0.010	0.010	0.010	0.010
Interest receivable	(0.322)	(0.175)	(0.075)	(0.060)
Net budget	(0.222)	(0.075)	0.025	0.040

Although the MRP requirement was currently nil the budget included a provision for making a charge either due to incurring a small amount of borrowing or to make a voluntary MRP to offset against future requirements.

Prudential Indicators for 2020/21(revised) to 2023/24 in respect of the Combined Fire Authority's Treasury Management Activities.
In accordance with its statutory duty and with the requirements of the Prudential Code for Capital Finance and the CIPFA Code for Treasury Management, the Combined Fire Authority produced each year a set of prudential indicators which regulated and controlled its treasury management activities.

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

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

In response to a question raised by County Councillor O'Toole, the Director of Corporate Services confirmed that all the Authority's investments were with other local authorities.

RESOLVED – That the Authority:

i) Approved the revised Treasury Management Strategy, including the Prudential Indicators as now presented;
ii) Agreed the Minimum Revenue Provision calculation as now presented; and
iii) Agreed the Treasury Management Policy Statement, as now presented.

123/19 RESERVES AND BALANCES POLICY

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

Review of Level of Reserves

In determining the appropriate level of general reserves required by the Authority, the Treasurer was required to form a professional judgement on this, taking account of the strategic, operational and financial risk facing the Authority. This was completed based on guidance issued by CIPFA, and included an assessment of the financial assumptions underpinning the budget, the adequacy of insurance arrangements and consideration of the Authority's financial management arrangements. In addition, the assessment should focus on both medium and long-term requirements, taking account of the Medium-Term Financial Strategy (as set out in the draft budget report elsewhere on this agenda).

For Lancashire Combined Fire Authority this covered issues such as: uncertainty surrounding future funding settlements and the potential impact of this on the revenue and capital budget; uncertainty surrounding future pay awards and inflation rates; the impact of changes to pension schemes and the remedy for the McCloud judgement; demand led pressures; risk of default associated with investments as set out in the Treasury Management Strategy, cost associated with maintaining operational cover in the event of Industrial Action etc.

Funding for 2021/22 was subject to a one-year settlement, with a further four-year Spending Review planned for 2022/23. Based on December's Local Government Finance Settlement, the Authority would receive a 0.2% inflationary increase for 2021/22.

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

As such the Treasurer considered it prudent to increase the minimum target reserves level at £3.5m, 6% of the 2021/22 net revenue budget, reflecting the increasing level of uncertainty. This was slightly higher than the 5% threshold identified by the Home Office above which the Authority was required to justify why it held the level of reserves, reflecting the increasing uncertainty about future funding, pension costs and pay awards.

Should reserves fall below this minimum level the following financial year's budget would contain options for increasing reserves back up to this level.

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

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

Level of General Reserves

The overall level of the general fund balance, i.e. uncommitted reserves, anticipated at the 31 March 2021 was £6.0m, providing scope to utilise approx. £2.5m of reserves.

The proposed drawdown of £0.3m in 21/22 would reduce the general balance to £5.7m. After allowing for this the Treasurer considered these were at an appropriate level to meet expenditure requirements in 2021/22. (No allowance has been made in the revenue budget shortfall for potential costs arising from the McCloud pension remedy, as it assumed these were reflected in future changes to pension contribution rates.)

It was noted that reserves were being used to fund recurring expenditure and hence this could only be a short-term solution, with recurring savings being required to offset the shortfall.

Future requirements were less clear but based on the existing draft revenue budget, general reserves were sufficient to balance the budget over the next 3 years, falling below the current minimum level by 31 March 2024, however that was subject to a great deal of uncertainty, particularly around pension costs, funding, vacancy profiles, future inflation and pay awards and council tax increases.

Earmarked Reserves

Level of Earmarked Reserves

The earmarked reserves forecast at 31 March 2021 were £10.2m and a breakdown of these was considered by Members. The Director of Corporate Services highlighted earmarked reserves (as set out on pages 70 and 71) which were held for:

- Section 31 Business Rate Relief Grant of £1.9m;
- Carried forward 2020/21 underspend relating to timing of activities delayed by the pandemic of £0.5m;
- Specific grant carried forward in respect of Protection Uplift Grant; Building Risk Review Grant and Grenfell Infrastructure Grant of £0.2m;
- Covid funding to meet costs associated with the pandemic of £0.2m.

It was noted that of the anticipated balance of £5.1m at 31 March 2026, £3.7m related to the Private Finance Initiative reserve.

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

Capital Reserves and Receipts

Capital Reserves had been created from under spends on the revenue budget in order to provide additional funding to support the capital programme in future years;

as such they could not be used to offset any deficit on the revenue budget, without having a significant impact on the capital programme that the Authority could support.

At 31 March 2021 the Authority anticipated holding £20.4m of capital reserves and receipts, after allowing for the transfer of the anticipated £0.5m year-end underspend into this reserve. Based on the capital programme presented elsewhere on this agenda it was anticipated fully utilising these by 31 March 2025. Of the total reserve £3.5m was contractually committed.

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

Provisions

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

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

This provision stood at £0.5m at 31 March 2020. Given the uncertainty in terms of future insurance claims it had been assumed that the provision would be maintained at this level throughout the 5-year period. There were no existing legal obligations associated with this provision, as the legal obligation only arose when settlement of outstanding claims was agreed.

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

At 31 March 2020 this provision stood at £1.0m to cover anticipated costs of outstanding business rates appeals. Whilst a significant element of this would be utilised in the current financial year, reflecting the settlement of outstanding appeals, it was impossible to accurately predict the extent of this usage or the need for any additional provision to meet appeals that arose in year, until such time as a full review was undertaken by billing authorities as part of the financial year end process. Therefore, for the purpose of this report it had been assumed that the level of business rates appeals provision remained unchanged. Until the outcome of any appeal was known there was no legal obligation arising from the appeal.

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

Summary Reserve Position

The summary reserve position showed, next year the Authority remained in a healthy position. The reduction in the level of reserves became more of a concern thereafter with the overall level reducing by over £20m over the next three financial years. With the general reserve potentially moving below the minimum target level from April 2024 onwards. However, this position would be subject to significant change as pension costs, funding, inflation, pay awards and other pressures all become clearer in future years. The annual refresh of this policy would identify the impact of any changes as they developed.

In response to a question by Councillor Williams regarding a breakdown of how the innovations fund was being utilised, the Director of Corporate Services advised that there was a bidding process to use the fund which may include capital (ie: there may be some equipment in the capital programme which could potentially be charged to this fund), however, this process had not yet been carried out therefore this fund had not yet been utilised.

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

124/19 CAPITAL STRATEGY AND BUDGET 2021/22 - 2025/26

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

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

Managing capital expenditure

The Capital Programme was prepared annually through the budget setting process, and was reported to the Authority for approval each February. The programme set out the capital projects taking place in the financial years 2021/22 to 2025/26, and would be updated in May to reflect the effects of the final level of slippage from the current financial year (2020/21).

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

A budget manager was responsible for the effective financial control and monitoring of their elements of the capital programme. Quarterly returns were submitted to the

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

Proposed Capital Budget

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

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

A summary of all capital requirements was considered by Members:

	2021/22 (inc Slippage)	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**TOTAL**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Vehicles	**4.525**	**0.996**	**0.947**	**1.592**	**1.712**	**9.772**
Operational Equipment	**0.444**	**1.000**	**0.250**	**0.530**	**-**	**2.224**
Buildings	**4.325**	**1.200**	**8.450**	**3.400**	**11.200**	**28.575**
IT Equipment	**2.005**	**0.350**	**-**	**0.220**	**0.600**	**3.175**
	11.299	**3.546**	**9.647**	**5.742**	**13.512**	**43.745**

Vehicles

The Fleet Asset Management plan had been used as a basis to identify the vehicle replacement programme as detailed in the report. This was a very large programme and hence some slippage may occur.

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

In addition, Fleet Services continued to review future requirements for the replacement of all vehicles in the portfolio, hence there may be some scope to modify requirements as these reviews were completed, and future replacement programmes would be adjusted accordingly.

Operational Equipment

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

Buildings

In terms of all the building proposals it was noted that requirements/designs were still being developed hence costings were to provide some context for decision making. Again, this was a very large programme of works, which would be a challenge to deliver alongside on-going day-to-day property issues, and any new initiatives that were identified at a later date.

It was noted that costs and timing for both Preston Fire Station and the Service Headquarters relocation were estimates only, based on current information. The Director of Corporate Services confirmed the first SHQ Working Group was scheduled for the following week. As plans were refined further updates would be provided for specific approval.

ICT

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

Capital Funding

Capital expenditure could be funded from the following sources:

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

Given the financial position of the Authority it had not needed to borrow since 2007, and had repaid a large proportion of borrowing in October 2017.

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

The ESMCP project carried forwards from 2020/21 was anticipated to receive £1.0m grant funding which was included in the programme. To date no other capital grant funding had been made available for 2021/22, nor had any indication been given that capital grant would be available in future years, and hence no allowance had been included in the budget.

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

The Authority expected to hold £1.7m of capital receipts as at 31 March 2021. This would be fully utilised during the 5-year programme.

There was no allowance for the potential sale of the existing Fulwood site as this could not be disposed of until such time as any changes required to Fulwood Fire Station were enacted. Once this was complete sale proceeds were forecast to be in excess of £2m, depending on which Fulwood Fire Station option was undertaken.

Capital Reserves
Capital Reserves had been created from under spends on the revenue budget in order to provide additional funding to support the capital programme in future years. The Authority expected to hold £18.7m of capital reserves as at 31 March 2021. Over the life of the programme it was anticipated all these reserves would be utilised.

Revenue Contribution to Capital Outlay (RCCO)
Any revenue surpluses may be transferred to a Capital Reserve in order to fund additional capital expenditure either in-year or carried forward to fund the programme in future years. The revenue contribution remained the same over the life of the programme, at £2.25m.

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

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

Total Capital Funding

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

	2021/22 (inc Slippage)	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**TOTAL**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Capital Grant	1.000	-	-	-	-	**1.000**
Capital Receipts	-	-	-	1.663	-	**1.663**
Capital Reserves	8.049	1.296	7.397	1.828	0.150	**18.720**
Revenue Contributions	2.250	2.250	2.250	2.250	2.250	**11.250**
	11.299	**3.546**	**9.647**	**5.741**	**2.400**	**32.633**

Summary Programme

Based on the draft capital programme as presented there was a shortfall of £11.1m:

	2021/22 (inc Slippage)	2022/23	2023/24	2024/25	2025/26	TOTAL
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Capital Requirements	11.299	3.546	9.647	5.741	13.512	**43.745**
Capital Funding	11.299	3.546	9.647	5.741	2.400	**32.633**
Surplus / (Shortfall)	**-**	**-**	**-**	**-**	**(11.112)**	**(11.112)**

This was a very large funding gap, demonstrating that the programme as set out was not achievable without significant borrowing.

Impact on the Revenue budget

It was noted that the capital programme and its funding directly impacted on the revenue budget in terms of capital financing charges and in terms of the revenue contribution to capital outlay. The capital programme showed the Authority utilising all of its capital reserves and receipts part way through 2025/26, meaning that the remainder of the capital programme would need to be met from either capital grant (if available), additional revenue contributions or from new borrowing.

Based on the provisional 1-year settlement, and future forecasts, the position in respect of the revenue budget appeared sustainable until March 2024. Dependent upon the outcome of the next Spending Review and its impact on future funding the revenue contribution to capital (RCCO) could come under increasing pressure. It therefore appeared unlikely that there would be any scope to increase RCCO in future years. (It was noted that the existing contribution of £2.25m was only sufficient to meet the current vehicle replacement programme, any capital requirements over and above must be funded in another way.) This meant the Authority needed to borrow to meet future capital requirements and this would impact the revenue budget as capital financing (interest payable and Minimum Revenue Provision) charges.

As funds had already been set aside (prepaid MRP) to offset the existing £2.0m of PWLB borrowing we would need to take out new borrowing of £9.1m. This would have a significant impact on the revenue budget, in terms of interest payments and setting aside a sum equivalent to the Minimum Revenue Provision (MRP). Two examples are provided in the report showing the position over a 25 and a 50-year period, based on current long-term interest rates. The final year of the revenue budget, presented elsewhere on this agenda, included the sum of £142k to meet the costs associated with this borrowing, however the impact on the MRP would not be felt until 2026/27.

Summary

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

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

Prudential Indicators

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

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

1. In terms of prudence, the level of capital expenditure, in absolute terms, was considered to be prudent and sustainable at an annual average of £8.2m over the 3-year period. The trend in the capital financing requirement and the level of external debt were both considered to be within prudent and sustainable levels. No new borrowing was currently planned during the three years;
2. In terms of affordability, the negative ratio of financing costs arising from borrowing reflected interest receivable exceeding interest payable and Minimum Revenue Provision payments in each of the three years. This reflected the effect of the previous decision to set aside monies to repay debt.

County Councillor O'Toole commented that it was generally agreed at the last Authority meeting that the Headquarters building was not suitable. Given the planned meeting of the Service Headquarters Working Group for the following week and the number of other large capital requirements set out in the report (for vehicles, buildings and ICT etc. coupled with the Treasurer's pessimistic view in the long-term) he wanted to wait until a decision had been made on a new location before agreeing to the recommendations set out in the report. In response, the Director of Corporate Services provided reassurance that in terms of the Headquarters capital requirement, the report set funding aside pending the Authority's formal decision. The report tried to set out a programme of potential costs to set aside money for as and when changes were agreed.

Due to a technical issue with the webcast the meeting was adjourned until the issue was resolved. The Clerk ensured all Members were present and Members then:

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

i) Capital Strategy;
ii) Capital Budget; and
iii) Prudential Indicators as now presented.

125/19 REVENUE BUDGET 2021/22 - 2025/26

The Director of Corporate Services / Treasurer presented the report which set out the draft revenue budget for 2021/22-2025/26 and the resultant council tax implications.

The budget requirement had been re-assessed taking account of known/anticipated changes, incorporating current year-end forecast projections, and forecast vacancy factors based on anticipated recruitment. The most significant unknowns were: -

- Future pay awards, it had been assumed a freeze in 21/22 and 2% each subsequent year;
- What impact the McCloud judgement would have on the budget, such as increased employer contributions, transfer of personnel between schemes, retirement profiles and hence vacancy factors, whether a new pension scheme would be introduced and if so what contribution rates would be set. None of these changes had been factored into the budget;
- Section 31 Grant in respect of the additional pension costs had been confirmed for 21/22 and would be incorporated into the subsequent Spending Review, and it had therefore been assumed this would continue throughout the Medium-Term Financial Strategy.

The draft Local Government Settlement showed funding increasing by 0.19%. Until such time as a future Spending Review was announced there was no indications of future funding levels, as such the draft budget allowed for a funding increase of 1.5% each year.

Both the council tax base and collection fund, and the business rates collection fund had all been affected by the pandemic: -

- The council tax base had fallen by 0.25%, predominantly due to an increase in the Local Council Tax Support Scheme. Hence the Government had allocated additional grant of £0.8m to offset the short-term reduction in the tax base;
- The council tax collection fund was £0.1m in deficit;
- The business rate collection fund was £1.9m in deficit, but this was offset by anticipated additional section 31 grant in respect of new in-year rate reliefs agreed by the Government in response to the pandemic’s impact on businesses;
- To offset both the collection fund deficits the Government was allowing any relevant in-year deficits to be spread over 3 years, thus smoothing the impact, and had agreed to provide additional grant equivalent to 75% of the relevant reduction in specific elements of the collection fund deficits. However as billing authorities had not yet calculated this it had been excluded from our estimates.

In terms of council tax, the referendum limit had been maintained at 2%.

Overall the following year’s budget showed a funding shortfall of approx. £0.3m, assuming council tax was increased by 2%.

Looking longer term the key variables remained pay awards, pension costs and funding. There was an increase in the funding gap as no allowance had been made for the Local Council Tax Support Scheme continuing, and hence the estimated funding gap increased to approx. £1m.

However, any pay award in 21/22 or further increases in pension costs would add in further financial pressures, as would a reduction in funding as part of the next Spending Review. As such additional scenarios were presented showing the potential impact of these. As always, the longer the forecast the less accurate it would be.

There were too many uncertainties in the budget to produce meaningful longer-term plans, however it was clear that the Authority remained in a strong position to face these challenges, once future funding became clearer.

The report set out the implications of increasing council tax by 2%, 1% or of freezing this. The increases equated to 2% was £1.41 per annum, £0.03 per week and 1% was £0.70 per annum, £0.01 per week.

Members considered the report in detail.

The Treasurer confirmed that one consultation response had been received from the Fire Brigades Union: “The FBU reluctantly support an increase in Council Tax as a way of offsetting and lessening the impact of Central Government cuts. Although we prefer to see no reductions The Fire Brigades Union support the small drawdown from reserves to allow for a balanced budget and maintained establishment and response model”.

The proposal based on a council tax increase of 1.99%, £1.41, resulting in a council tax of £72.27 for a Band D property was MOVED by County Councillor Frank De Molfetta and SECONDED by County Councillor Nikki Hennessy.

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

<u>For (22)</u>
L Beavers, S Blackburn, P Britcliffe, I Brown, S Clarke, F De Molfetta, J Eaton, N Hennessy, S Holgate, D Howarth, J Hugo, A Kay, H Khan, Z Khan, T Martin, D O’Toole, M Pattison, A Riggott, J Shedwick, D Smith, G Wilkins and T Williams.

<u>Against (1)</u>
D Stansfield.

<u>Abstained (0)</u>
No Members abstained.

The motion was therefore CARRIED and it was:

<u>RESOLVED</u>: - That the Authority: -

1. noted the Treasurer’s advice on the robustness of the budget;
2. noted the Treasurer’s advice on the appropriate level of reserves/balances;
3. agreed the revised budget requirement of £58.175m for 2021/22;
4. noted the level of Revenue Support Grant Funding £8.570m;
5. noted the level of Business Rates Retention Top Up Funding £11.295m;
6. noted the level of Local Business Rates Retention Funding £4.279m;
7. noted the section 31 grant of £1.320m due in respect of the business rate reliefs;
8. noted the business rate tax collection fund deficit of £1.862m, after allowing for the

3-year spread;

9. noted the section 31 grant of £1.925m due in respect of the additional in-year business rate reliefs for 2020/21;
10. noted the Local Council Tax Support Grant of £0.789m;
11. noted the net council tax collection fund deficit of £0.137m after allowing for the 3-year spread;
12. agreed the council tax requirement, calculated in accordance with Section 42A(4) of the Localism Act of £31.996m;
13. noted the council tax base of 442,730 determined for the purposes of Section 42B of the Local Government Finance Act 1992;
14. agreed a council tax band D equivalent of £72.27, an increase of £1.41 (1.99%), calculated by the Authority under Section 42B of the Local Government Finance Act 1992 agree, on the basis of the fixed ratios between valuation bands set by the Government, council tax for each band as follows:

Band A	£48.18
Band B	£56.21
Band C	£64.24
Band D	£72.27
Band E	£88.33
Band F	£104.39
Band G	£120.45
Band H	£144.54

15. agreed, based on each district and unitary councils share of the total band D equivalent tax base of 442,730, the share of the total LCFA precept of £31.996m levied on each council as follows:

Blackburn With Darwen Borough Council	£2,524,981
Blackpool Borough Council	£2,663,367
Burnley Borough Council	£1,681,579
Chorley Borough Council	£2,708,405
Fylde Borough Council	£2,238,564
Hyndburn Borough Council	£1,462,673
Lancaster City Council	£2,999,205
Pendle Borough Council	£1,727,109
Preston City Council	£2,834,574
Ribble Valley Borough Council	£1,734,986
Rossendale Borough Council	£1,472,863
South Ribble Borough Council	£2,617,577
West Lancashire District Council	£2,657,662
Wyre Borough Council	£2,672,593
TOTAL	£31,996,138

126/19 REPORT ON REVIEW OF THE AUTHORITY'S GOVERNANCE AND OPERATIONAL POLICIES

The Clerk and Monitoring Officer to the Authority presented the report following a review undertaken of various constitutional and procedural governance policies and the corresponding Constitutional and Procedural Standing Orders to bring them in line with changes to legislation, to promote continuing best practice and to sustain and support the current needs of the Authority.

Of the policies reviewed by the Clerk, all but one had undergone minor amendments:

1. Code of Conduct for Fire Authority Members;
2. The Role of Members and Generic Member Champions Role Description;
3. Members' Allowance Scheme
4. Member / Officer Relations Protocol;
5. Constitutional and Procedural Standing Orders

The only significant change related to the current Members' Code of Conduct following the publication of the Evans Report and a draft Model Code of Conduct by the Local Government Association. The Clerk advised that the Model Code was not as far reaching as the Evans Committee recommendations but remained consistent with the current Authority Code of Conduct, with some relevant updates.

Members considered the reviewed policies in detail.

RESOLVED: - That the proposed changes as now presented be endorsed as amendments to the Authority's policies and to its corresponding Constitutional and Procedural Standing Orders.

127/19 PERSON CENTRED HOME FIRE SAFETY CHECKS AND HOME FIRE SAFETY CHECK EFFECTIVENESS

In response to Member questions and discussions at the last meeting (resolution 104/19 refers) a report was presented by the Deputy Chief Fire Officer in relation to person-centred Home Fire Safety Checks (HFSC) and the overall effectiveness of the HFSC, Safe and Well visits delivered by the Service.

Members noted that a 'person-centred approach' placed the Service recipient at the centre of the offer and ensured they were treated as a person first.

Lancashire Fire and Rescue Service (LFRS) had a number of prevention activities and campaigns which had been developed around this personalised approach by focussing on the importance of well-informed risk assessments, dignity, choice and close partnership working.

The HFSC and Safe and Well visit delivered a bespoke, personalised fire risk assessment, which was tailored towards individual need and, by working with partners for inward and onward referrals, ensured resources were focussed on, and tailored to, high risk and vulnerable individuals.

Fire and Rescue Services in the UK have a statutory duty to prevent fires and considerable effort and resources had been focussed on reducing risk using a variety of prevention activities. LFRS' largest prevention offer was the HFSC which assessed risk in the home and enabled specific fire safety advice and equipment to be provided to meet the needs of the individual.

Historically the HFSC was target driven where success tended to equate to a high number of checks being carried out. As time progressed it was recognised that targeting at such a wide geographic level was becoming increasingly inefficient and a shift occurred towards targeting the individual's presenting greatest risk by suing lifestyle and societal factors.

In 2015 the Chief Fire Officers Association, now the National Fire Chiefs Council, together with the Local Government Association, Public Health England and Age UK produced a joint consensus statement setting out their intention to collaborate and strengthen efforts to tackle a range of shared health risks. The aim of this was to improve safety and quality of life thereby reducing pressures on the NHS.

To address this LFRS shaped the transition from a HFSC to a new co-designed, more holistic visit, centred on the person/family. This was the Safe and Well visit which now formed part of the complete HFSC Service.

The Safe and Well visit included additional questions relating to seven areas which were selected not only because they linked to the types of health risks partners were seeking to address, but also because they were inexorably linked to fire risk. These were:

1. Falls prevention;
2. Social isolation;
3. Living with dementia;
4. Diabetes;
5. Healthy homes/ winter pressures;
6. Home security/ arson vulnerability;
7. Mental health.

If appropriate and with the person's consent, a referral could be made to the appropriate service/organisation to access further support (and reduce risk). The Service recognised the benefit of individuals making their own decisions and being involved with their fire risk assessment so that they were fully engaged with the process.

The opportunity for Fire and Rescue Services and strategic health and social care partners to work more effectively together was based on one important factor, the individuals' wishes and needs. Evidence that could be derived from fire fatalities across the UK indicated that there remained common risk factors. Research showed that health and care issues, when coupled with fires in the home, resulted in worse outcomes including a much higher likelihood of fatalities. These factors included: multi-morbidity and frailty, cognitive impairment, smoking, drugs, alcohol, physical inactivity, obesity, loneliness and cold homes. Some of these factors such as smoking increased the likelihood of having a fire and others such as frailty increased the likelihood of sustaining more serious injuries or fatalities.

Alongside the refined approach a new risk scoring criteria was implemented with any referrals scoring 22 or above automatically offered a Safe and Well Visit and those scoring lower were provided with bespoke fire safety advice. This had enabled LFRS to triage all referrals and identify the most vulnerable and high-risk people across Lancashire. LFRS worked closely with over 241 partner organisations and provided a fast track mechanism for referrals for any of their service users.

The report detailed how HFSC figures and the number of accidental dwelling fires (ADF) and casualties had varied over the past decade and showed how the fire risk map had changed in that time. In 2010 the Service delivered over 55,000 HFSCs and by 2020 that number had reduced to just below 20,000 while in the same period the number of accidental dwelling fires continued to fall by over 30% and in the same period annual casualty figures reduced by a similar percentage. It was not statistically sound to fully link HFSC delivery to ADF rates and casualty outcomes as to do so ignored the multitude of other risk reduction methods used. However, risk tended to link with deprivation and other associated determinants such as fuel poverty so the data presented should be taken in the context of the wider decade which covered the austerity period. What the data tended to show was that it was possible to reduce the absolute number of HFSCs while at the same time continuing to reduce risk, provided the risk reduction activity was targeted effectively.

As the Safe and Well offer had significant depth and the referral pathways varied significantly based on local provisions LFRS had introduced a quality assurance process which checked a minimum of one Safe and Well visit per area per month to ensure that agreed standards were being consistently delivered, the appropriate questions were being asked and the relevant advice and equipment provided.

LFRS also delivered evidence-based campaigns to raise awareness regarding certain risk and behaviours. These were focussed and targeted on geographical and demographics that were experiencing the highest risk of fire. Examples of typical campaign activity were presented in the appendix.

The report also detailed ongoing work being developed through the National Fire Chief Council Prevention Committee to further refine the risk factors which lead to fire in the home and the effectiveness of the associated control measures and referral pathways necessary to mitigate them. This project was currently being initiated at a national level and strategically was intended to support Fire and Rescue Services to deliver against objectives in the future Prevention Fire Standard (currently in draft for consultation) with likely objectives included in the report alongside characteristics that should be evident when providing a person-centred HFSC (these included: affording people dignity, respect and compassion, offering co-ordinated and personal support, being enabling and to recognise these characteristics and that individuals may have varying and increasing fire risk based upon numerous and changing factors).

In response to questions raised by County Councillor Riggott the Deputy Chief Fire Officer confirmed that the work currently under development through the National Fire Chiefs Council Prevention Committee was expected sometime later this year. He reassured Members that this work was not new to LFRS who had been working for the last 6 or 7 years to target resources in the right place and provide a person-centred Home Fire Safety Check.

The Deputy Chief Fire Officer also confirmed that LFRS delivered in the region of 20,000 HFSCs per annum. He advised that when the HMICFRS did inspect they looked at the volume of checks carried out against the population headcount. LFRS worked closely with its partners and there was a clear referral mechanism to target the right people. Monitoring identified the proportion of checks undertaken for the vulnerable was in the region of 65 - 70%.

The Deputy Chief Fire Officer also confirmed that the quality assurance process checked one safe and well visit per district/unitary area per month.

In response to a question raised by County Councillor Riggott regarding the percentage of referrals that scored 22 or above and were offered a Safe and Well visit, Area Manager for Prevention and Protection, Mark Hutton advised he would provide an exact figure after the meeting but from memory it was in excess of 70% of people that were offered a physical HFSC. The remaining 30% (who scored under 22 and were low-risk) received an appropriate form of HFSC via telephone or email.

Councillor Williams asked whether the high demand for portable heaters over the winter months had in turn caused additional accidental dwelling fires. In response the Deputy Chief Fire Officer advised that the report for the next Performance Committee was currently in draft and although accidental dwelling fires had increased this was not significantly and he was not aware of any trends of the impact of higher use of gas canisters.

County Councillor Hennessy was pleased to receive the report and to be assured that the safe and well visits were person-centred particularly given the business risk implications as outlined in the report.

In response to a comment from the Chairman regarding the changing fire risk over time, the Chief Fire Officer advised that the Service was preparing the next Integrated Risk Management Plan (IRMP) which gave an opportunity to reflect. The overall risk management score was taken regularly to the Performance Committee but the IRMP was a good opportunity to show the direction of travel achieved.

<u>RESOLVED</u>: - That the report be noted.

128/19 <u>FIRE PROTECTION REPORTS</u>

The Deputy Chief Fire Officer presented the report which summarised fire safety prosecutions and arson incidents (where evidence had been provided by Fire Investigators into the Criminal Justice system) where court proceedings had progressed to trial and sentencing.

Fire protection and business support information was provided in relation to the building risk review work to audit and assess all Lancashire's 72 residential high-rise premises over 18m. The Service was currently ahead of schedule having completed 39 inspections. LFRS aimed to have all the audits completed by June in recognition that the provision of technical reports by building owners and managers could be a lengthy process. Currently Lancashire had 6 premises with interim measures to the presence of non-compliant cladding and a further 3 were due to compartmentation issues.

It was also noted that the residential care sector was receiving ongoing fire safety business support in the form of a 7-minute briefing to all Lancashire Care and Nursing Home providers which had been produced in conjunction with the Lancashire Safeguarding Adults Board. In addition, Fire Protection staff were delivering fire safety talks to providers via online webinars.

County Councillor Shedwick expressed his satisfaction for the robust approach the Service took.

Councillor Williams noted the high proportion of arson incidents in Blackpool. He commented that this work was very serious and it did cost lives. The work the Service was doing was excellent and something to be proud of.

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

129/19 COMMUNITY FIRE SAFETY REPORTS

The Chief Fire Officer advised that for the past few months the Service had focussed its efforts to support the local NHS vaccination programme with support garnered from the Home Office and Home Secretary to achieve the approach made. Since 15 December 2020 LFRS had supported vaccination centres as soon as they opened; initially this was 22 / 23 vaccination sites across GP surgeries and latterly clinics and now mass vaccination centres.

The Service was now mainly supporting just the mass vaccination centres including the two new centres that went live that week at Preston and Burney. This meant that so far LFRS had supported around 80,000 people including the direct administration of 8,000 around vaccines by LFRS staff from all different parts of the organisation.

Wonderful stories had been received from people who had encountered LFRS staff while attending the vaccination centres and staff had found being able to support others during this time to be inspiring, memorable and emotive. LFRS as the first Service to do this had led to other Fire and Rescue Services following our lead. The current position across the country was that 1 in 60 vaccinations was being delivered by a Fire and Rescue Service.

The Fire Authority unanimously requested that their pride and appreciation be put on record and conveyed to staff who were involved in this tremendous achievement to make the people of Lancashire safer.

The report presented by the Deputy Chief Fire Officer included information for the 2 Unitary and 12 District Authorities relating to Fire Safety Initiatives and Fires and Incidents of particular interest during the period December 2020 – January 2021.

The Deputy Chief Fire Officer highlighted that while efforts were focussed on the response to the pandemic, LFRS had also continued to deliver its prevention agenda on a risk assessed basis (as outlined in 1.5 of the report) as well as attending a number of significant incidents (outlined in 1.7 of the report).

County Councillor Eaton thanked the firefighters for their professional action when dealing with the Birtwistle Mill incident in Haslingden. He had received a number of calls from constituents where some residents had to be relocated for their safety.

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

130/19 MEMBER COMPLAINTS

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

RESOLVED: - That the current position be noted.

131/19 DATE OF NEXT MEETING

The next meeting of the Authority would be held on Monday 26 April 2021 at 10:00am at – venue to be agreed.

M NOLAN
Clerk to CFA

LFRS HQ
Fulwood