

Public Document Pack

LANCASHIRE COMBINED FIRE AUTHORITY

RESOURCES COMMITTEE

Wednesday, 24 March 2021 - 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 - 10)
4. REPORT ON TRANSACTION OF URGENT BUSINESS (PAGES 11 - 12)
5. FINANCIAL MONITORING (PAGES 13 - 22)
6. DATE AND TIME OF NEXT MEETING

The next scheduled meeting of the Committee has been agreed for 10:00 hours on 7 July 2021 – venue to be agreed.

Further meetings are: scheduled for 29 September 2021 and 1 December 2021
proposed for 30 March 2022

7. 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.

8. 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

9. PENSIONS UPDATE (PAGES 23 - 30)

10. SICKNESS UPDATE (PAGES 31 - 46)

11. HIGH VALUE PROCUREMENT PROJECTS (PAGES 47 - 54)

12. URGENT BUSINESS (PART 2)

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

RESOURCES COMMITTEE

Wednesday, 25 November 2020 at 10.00 am in Virtual Meeting accessible via MS Teams and YouTube (as a live webcast)

MINUTES

PRESENT:

F De Molfetta (Chairman)

Councillors

L Beavers
S Blackburn
J Hugo
D O'Toole
M Pattison
G Wilkins
T Williams

94/19 CHAIRMAN'S ANNOUNCEMENT

The Chairman, County Councillor F De Molfetta welcomed Authority Members and members of the press and public to the virtual committee meeting of the Audit Committee. 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.

The Committee Members individually confirmed their attendance at the start of the meeting.

95/19 APOLOGIES FOR ABSENCE

Apologies were received from County Councillors Tony Martin and Dave Stansfield.

96/19 DISCLOSURE OF PECUNIARY AND NON-PECUNIARY INTERESTS

None received.

97/19 MINUTES OF THE PREVIOUS MEETING

RESOLVED: - That the Minutes of the last meeting held on 23 September 2020 be confirmed as a correct record for signature by the Chairman.

98/19 FINANCIAL MONITORING 2020/21

The Director of Corporate Services presented the report.

Revenue Budget

The overall position as at the end of September showed an underspend of £0.8m, largely as a result of reduced spend during the first quarter, due to the Covid-19 pandemic as planned expenditure was not progressed as previously reported. This position had continued to a large extent into quarter two, and although we were currently discussing with budget holders what impact this could have on their end of year budgetary position, any further lockdown period would have continued impacts on spending. In addition, it was noted that this would have significant impacts on the outturn position for 2020/21, which was estimated to be circa £0.7m after allowing for the virements proposed for Member consideration. This would be updated and reported for the remainder of the financial year, however it was noted that Ministry of Housing, Communities and Local Government had confirmed they would be carrying out the annual National Non-Domestic Rates 3 reconciliation and would be making payments where appropriate to authorities in January 2021. This had not been included in the forecast as there was no guarantee anything would be received.

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	(159)	(369)	The underspend for both the first six months and the outturn position largely related to the reduced activity levels, in particular for car allowances and smoke detector purchases.
Protection Transformation	-	-	The Protection Transformation department had been created as a result of the Authority being able to access £310k in grant from the Home Office to support our protection work in the wake of the Grenfell tragedy. The proposed department structure was approved at July Planning Committee, which incorporated new posts funded by grant, and posts transferred from other existing structures. In addition, we received notification from the Home Office that we would be receiving £150k S31 grant in relation to the Grenfell inquiry outcomes, in particular to ensure that all Fire and Rescue Services have smoke hoods in place as a protection measure in the event of a major fire. We received the funding

			in early November, and the purchase of smoke hoods and smoke curtains was underway, with plans to spend the remainder of the funding (circa £100k) under discussion with Service Delivery.
Covid-19	-	-	As previously reported, we received total funding of £1.4m. We have spent £0.9m to date, with the balance being held in an earmarked reserve. It was expected that any further costs associated with the ongoing pandemic, such as enhanced cleaning, additional staff costs etc. would be met from this fund.
Youth Engagement	(118)	(30)	This budget included both the Prince's Trust activities and the Fire Cadet units. The year to date position arose from the amended delivery model for Prince's Trust teams, where the residential fees and other team running costs were not being incurred. The forecast position anticipated the transfer of the balance of unspent Prince's Trust income into earmarked reserves to meet future running costs, but this would be brought for a decision during year end. Fire cadet units had not been running since March, hence the expected year end underspend.
Training & operational review	(66)	(124)	The year to date and outturn position both reflected training which should have taken place in quarter one being pushed back, and the reduced onsite catering requirement during this period. The outturn was based on an estimated level of training provision (including on-call and wholtime recruits) during the remainder of the year, which would be reviewed and monitored.
Fleet & Technical Services	(88)	(168)	The current underspend largely related to vehicle repairs and maintenance, where the anticipated (and budgeted) increases in the hourly rates charged by Lancashire County Engineering Services had been mitigated thus far by careful

			management and scrutiny of repairs passed to LCES, with use of alternative contractors where cost effective to do so. In addition, we benefitted from free fuel offered by BP to emergency services during the first quarter, and there had also been a general reduction in spend on fuel and tyres.
Digital Transformation	-	-	The digital transformation department was created by moving staff from other departments (mainly Information Technology) to support the digital enhancement of the Service. Currently the department only had pay budgets, but non-pay budgets may be reviewed and moved over in due course.
Property	(140)	(145)	As non-essential maintenance was put on hold in quarter 1, the spend to date showed an underspend. Whilst non-essential maintenance had been re-instated departmental capacity and the ongoing situation meant that we would not catch up from earlier underspends, hence the forecast year end underspend.
Non DFM	195	759	Both the current and outturn positions reflected the £0.4m funding gap identified at the time of setting the budget in February. The tender process for STC workshop and South Shore refurbishment had both resulted in significant increases in costs reflecting a general shift in pricing in the construction industry, as well as additional site overheads to meet new Covid requirements and design amendments. The Member Tender Panel had approved the award of both these contracts and the resultant increase in the capital programme, noting that this could be met from additional in-year revenue contributions due to the existing underspend. As such the outturn also reflected the additional Revenue Contribution to Capital Outlay of £0.3m in respect of these projects.

Wholetime Pay (including associate trainers)	(469)	(638)	<p>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 ceased once they commenced the recruits' course in September. The additional cost of this was more than offset by additional 12 early leavers since the budget was initially set. In addition, vacant posts were effectively budgeted at Firefighter rates, however there were a number of vacancies within TOR, Fire Safety and Service Development at higher grades, resulting in a further underspend.</p> <p>The Protection Transformation funding of £310k reported above would be used to fund additional wholetime Protection posts, however there won't be additional recruitment within the year to fill gaps arising within Service Delivery, hence the outturn position reported. The outturn position included the completion of the September course and the anticipated January recruits' course in addition to all of the above.</p>
RDS Pay	212	366	<p>The overspend reflected activity related payments for the first three months, which could be attributed to several moorland fire incidents during the period, a 36% higher activity level than the corresponding quarter last year. Although these payments had reduced in quarter two, they were still 10% higher on average than the previous year. We were currently assuming that these would continue at broadly the same levels for the rest of the year. We would monitor the situation over the coming months and update in due course.</p>
Support staff	(74)	(92)	The underspend to date related to

(less agency staff)			vacant posts across various departments, which were in excess of the vacancy factor built into the budget. Due to the initial cessation of recruitment activity due to the pandemic, and subsequent reduced recruitment activity, it was unknown when some of these posts might be filled, however it was clear there would be an underspend by the end of the financial year. Noted agency staff costs to date of £22k were replacing vacant support staff roles, this accounted for less than 1% of total support staff costs.
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Capital Budget

The Capital budget for 2020/21 stood at £10.9m. Following recent Member Tender Panel approvals, the proposal was to increase this for:

- £275k in respect of the costs for the STC Workshop project;
- £32k in respect of the costs for the South Shore fire station refurbishment and extension.

These changes took the revised total budget to £11.2m.

There had been very little spend against the resultant 2020/21 programme, just £0.7m, largely against vehicles, as departments had been dealing with the impacts of the ongoing pandemic. We continued to review the impact of the pandemic on anticipated in-year spend, and had provided an estimated forecast of slippage in Appendix 2, but it was clear that there would be significant slippage, circa £8.4m, again this year.

The current position against the programme was set out below, with further details provided for consideration by Members in Appendix 2: -

Pumping Appliances	The budget allowed for the remaining stage payments for 7 pumping appliances for the 2018/19 programme, which had all now been built and inspected and were undergoing the pre-delivery process, with anticipated deliveries taking place in December & January. In addition, the budget allowed for the purchase of 3 pumping appliances for the 2019/20 programme, and 2 pumping appliances for the 2020/21 programme, all of which had been delayed pending consideration of the specification and were expected to slip into the next financial year.
Other vehicles	This budget allowed for the replacement of various operational support vehicles, the most significant of which were:

	<ul style="list-style-type: none"> • Two Command Support Units (CSU), the documentation was being prepared in order to begin the procurement exercise in the new year; • One Water Tower; • One Aerial Ladder Platform; • One all-terrain vehicle <p>None of the above items were expected to be progressed to completion within the year, and were included in the slippage.</p> <p>In addition to these, the budget allowed for various support vehicles which were reviewed prior to replacement, but were being progressed with further spend anticipated prior to the year end.</p>
Operational Equipment / Future Firefighting	<p>This budget allowed for completion of the kitting out of three reserve pumping appliances, in addition to providing a £50k budget for innovations in fire-fighting which were still being considered.</p> <p>This budget also allowed for the progression of CCTV on pumping appliances, which was not expected to be spent during the financial year due to capacity issues within Fleet Services department.</p>
Building Modifications	<p>This budget allowed for:</p> <ul style="list-style-type: none"> • Provision of a new workshop, BA Recovery and Trainer facility at STC. Following completion of the tender process the total budget had been increased to £4.5m. Work would shortly begin on site; however, the majority of the budget would be spent in the next financial year; • NWAS co-location at Morecambe, this depended on arrangements with the PFI provider, but now seemed likely to slip into the next financial year; • Based on the latest stock condition survey, several stations had budgeted upgrades to dormitory and shower facilities. A contract for South Shore refurbishment had been awarded, with works currently on site. However, the majority of spend on other upgrades would move into the following financial year. • We have included budgetary provision for a drill tower replacement plan, and would seek to replace a notional 2 towers per year over the 5-year programme. Work was on-going to agree the specifications and priorities for this programme, and hence spend would slip into next year.
IT systems	<p>The majority of the capital budget related to the national Emergency Services Mobile Communications Project (ESMCP), to replace the Airwave wide area radio system and the replacement of the station end mobilising system. The ESMCP project budget, £1.0m, was offset by anticipated grant, however the timing of both expenditure and grant was dependent upon progress against the</p>

	<p>national project. This national project had suffered lengthy delays to date, hence was included within slippage into the next financial year.</p> <p>The balance of the budget related to the replacement of various systems, in line with the ICT asset management plan. Whilst initial scoping work was on-going to facilitate the replacement of some of these systems in the current year, we were still reviewing the need to replace others. Given the ongoing situation we only expect an outturn spend of circa £100k in the current year.</p>
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The committed costs to date would be met by revenue contributions.

Delivery against savings targets

The current position on savings targets identified during the budget setting process was reported. The performance to date was ahead of target, largely due to savings in respect of smoke detectors and Procurement savings. It was anticipated that we would meet our savings target for the financial year.

In response to a question from County Councillor O'Toole regarding the £900k spend on the covid budget, the Director of Corporate Services confirmed he would send a breakdown of that expenditure to him outside the meeting.

In response to a further question from County Councillor O'Toole regarding the Youth Engagement budget, the Director of Corporate Services confirmed that the difference between the underspend at the end of September and the forecast underspend at the end of the financial year, £88k would transfer into an earmarked reserve for the Prince's Trust because of the uncertainty of future funding. The Prince's Trust programme had continued during the pandemic but had been delivered digitally rather than on a face-to-face basis. It was noted that the fire cadets had ceased in March which was why the year end underspend was predicted. Councillor Hugo was pleased that the forecast underspend would be earmarked for the Prince's Trust programme as she had been concerned that any drop off in activity would require more effort to regain momentum.

Councillor Hugo asked why the £700k revenue slippage would go into the capital reserve. In response, the Director of Corporate Services advised that at the Strategy Group scheduled for the following week there would be a discussion on the Business Case at Headquarters which may require additional resources being put into the capital programme. Typically, at year end consideration was given to whether to put any underspend into the general fund balance or into an alternative (if deemed appropriate). Should there be a need to put more money into the capital programme, the year-end balance would be transferred thus minimising any need to borrow. He confirmed that any decisions would be taken by the Resources Committee typically in May to feed into the final accounts process.

Councillor Hugo also queried what the impact on the Service was of not filling the support staff vacancies referred to on page 33. In response the Director of Corporate Services advised that some of the posts had been problematic and although the impact was fairly marginal it was hoped the posts would be recruited to over the next 6 months.

RESOLVED: - Given the YouTube live webcast had stopped working which in effect excluded the press and public from the meeting, the public section of the meeting was adjourned. This was prior to the Committee's determination of the recommendations which would now need to be considered (as appropriate) with an update provided to the next meeting of this Committee.

99/19 TREASURY MANAGEMENT - MID YEAR REPORT 2020/21

The report and its recommendations would now need to be considered (as appropriate) with an update provided to the next meeting of this Committee.

100/19 DATE AND TIME OF NEXT MEETING

The next meeting of the Committee would be held on Wednesday, 24 March 2021 at 1000 hours – venue to be confirmed.

Further meeting dates were scheduled for 7 July 2021 and 29 September 2021 and agreed for 1 December 2021.

101/19 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.

102/19 SICK PAY PROCEDURES

(Paragraph 3)

Members considered a report that proposed to temporarily alter the processes to enable some support to be given to staff impacted by the Covid emergency and to re-endorse the principles under which the existing discretions were used.

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

103/19 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.

LFRS HQ
Fulwood

M NOLAN
Clerk to CFA

LANCASHIRE COMBINED FIRE AUTHORITY RESOURCES COMMITTEE

Meeting to be held on 24 March 2021

REPORT ON TRANSACTION OF URGENT BUSINESS

Contact for further information:

Diane Brooks – Principal Member Services Officer -Tel No. 01772 866720

Executive Summary

Transaction of Urgent Business since the last meeting.

Recommendation

To note/endorse the report.

Information

It is reported for the information of the Committee that, in pursuance of the arrangements approved by the Authority, the following matters, which could not await the next meeting have been authorised by the appropriate Chief Officer following consultation with the Chairman and Vice-Chairman:

1. Recommendations from the Financial Monitoring report submitted to the meeting held 25 November 2020;
2. Recommendation from the Treasury Management Mid-Year Report 2020/21 submitted to the meeting held 25 November 2020.

Business Risk

None for the purposes of this report.

Environmental Impact

None for the purposes of this report.

Equality and Diversity Implications

None for the purposes of this report.

HR Implications

None for the purposes of this report.

Financial Implications

None for the purposes of this report.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact
Reason for inclusion in Part II, if appropriate:		

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LANCASHIRE COMBINED FIRE AUTHORITY RESOURCES COMMITTEE

Meeting to be held on 24 March 2021

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, and to approve the following virements:

- to transfer £0.5m unspent budgets across several departments into earmarked reserves for spend in the next financial year;
- to transfer £0.1m into the Covid fund in relation to underspends on fuel and other vehicle running costs as reported below.

Information

Revenue Budget

The overall position as at the end of January shows an underspend of £0.6m, largely as a result of pay underspends as previously reported and detailed in the following table. Since the last Resources Committee, we have discussed with budget holders what impact the pandemic has had on their planned spend and have identified virements totalling £0.5m which we have reflected transferring into earmarked reserves for use in the next financial year. We also propose to transfer £0.1m of underspent Fleet Services budgets into the Covid fund, in relation to savings on vehicle running costs due to remote working during the pandemic. The National Fire Chiefs Council (NFCC) has been collating both spends and savings for the fire sector during the pandemic and reporting to the Home Office.

After allowing for this, the outturn position is currently expected to be an underspend of £0.4m as shown on Appendix 1. We had previously reported that the Ministry of Housing, Communities and Local Government (MHCLG) would be carrying out the annual national non-domestic rates return (NNDR3) reconciliation, and be making payments where appropriate to Authorities before the end of March 2021, however MHCLG have now confirmed that there will be no levy account distributions in 2020/21.

The year to date and forecast 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 31 Jan	Forecast outturn at 31 March	Reason
	£'000	£'000	
Service Delivery	(105)	(156)	<p>The underspend for both to date and the outturn position largely relates to the reduced activity levels, in particular for car allowances/mileage due to remote working during the pandemic, however the position allows for the proposed transfer of the following into earmarked reserves, for use in the next financial year:</p> <ul style="list-style-type: none"> • £104k for unspent smoke detector purchases • £34k for spend on an USAR training prop, delayed by the pandemic
Protection Transformation	-	-	<p>The Protection Transformation department was created as a result of the Authority being able to access £310k in grant from the Home Office to support our protection work in the wake of the Grenfell tragedy. We anticipate spending circa £180k during the year on additional staff, staff training and updated software to meet the suggested improvements, with the balance being transferred to an earmarked reserve for use in the following year.</p>
Covid-19	-	-	<p>As previously reported, we received total funding of £1.4m. We have spent £1m to date, with the balance being held in an earmarked reserve. The spend to date is as follows:</p> <ul style="list-style-type: none"> • Additional staff costs £71k • Additional cleaning £21k • Consumable items (eg sanitiser) £138k • Remote working equipment £113k • PPE £654k <p>It is expected that any further costs associated with the ongoing pandemic will be met from this fund.</p> <p>As reported above, we will transfer £0.1m of underspends in relation to savings against the Fleet & Technical Services budget in relation to the reduced use of vehicles during the pandemic.</p>

Youth Engagement	(150)	(55)	This budget includes both the Prince's Trust activities and the Fire Cadets units. The year to date position arises from the amended delivery model for Prince's Trust teams, where the residential fees and other team running costs are not being incurred. The forecast position anticipates the transfer of the balance of unspent Prince's Trust income into earmarked reserves to meet future running costs, but this will be brought for a decision during year end. Fire cadet units have been running remotely since last March, hence the expected year end underspend.
Training & operational review	(71)	(68)	The year to date and outturn position both reflect the reduced onsite catering requirement for the year alongside various other activity related underspends. However, the position allows for the proposed transfer of £61k into earmarked reserves, in relation to training courses and training prop maintenance for use in the next financial year.
Fleet & Technical Services	(111)	(134)	The current underspend largely relates to vehicle repairs and maintenance, where the anticipated (and budgeted) increases in the hourly rates charged by LCES have been mitigated thus far by careful management and scrutiny of repairs passed to LCES, with use of alternative contractors where cost effective to do so. In addition, we benefitted from free fuel offered by BP to emergency services during the first quarter, and there has also been a general reduction in spend on fuel and tyres. The position allows for the transfer of £50k into earmarked reserves in relation to unspent equipment R&D budget, and the transfer of £0.1m into the Covid fund as referred to earlier.
Property	(21)	(9)	All non-essential maintenance was put on hold in quarter one, and was gradually re-instated, departmental capacity and the ongoing situation means that we propose to transfer a total of £264k into earmarked reserves in relation to backlog planned maintenance.
Non DFM	634	760	Both the current and outturn positions reflect the £0.4m funding gap identified at the time of setting the budget in February,

			and the additional £0.3m RCCO approved at the last meeting.
Wholetime Pay (including associate trainers)	(763)	(823)	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 ceased once they commenced the recruits course in September. The additional cost of this is more than offset by a total of 22 early leavers since the budget was initially set, the majority of whom left in the early part of the year. This results in an average of 18 more under establishment than anticipated in the budget, an underspend of £0.8m. The outturn position includes the completion of the ongoing January recruits course in addition to all of the above.
On-Call Pay	164	201	The overspend reflects activity related payments for the year, which can be partly attributed to several moorland fire incidents during quarter one (a 36% higher activity level than quarter one last year) but have been higher on average <u>for the whole year</u> than the previous year. We are assuming that these will continue at broadly the same levels for the rest of the year.
Support staff (less agency staff)	(66)	(84)	The underspend relates to vacant posts across various departments, which are in excess of the vacancy factor built into the budget. The underspend position arises due to the initial cessation of recruitment activity due to the pandemic, and subsequent reduced recruitment activity. Note agency staff costs to date of £63k are replacing vacant support staff roles, this accounts for less than 1% of total support staff costs.

Capital Budget

The Capital budget for 2020/21 stood at £11.2m. Following on from the Fire Authority budget setting meeting in February, we have adjusted the 2020/21 capital programme to remove the items flagged as slipping into 2021/22, due to the ongoing pandemic and associated capacity issues – which for completeness are as follows:

Aerial Ladder Platform (to be replaced with a Turn Table Ladder)	£0.590m
Command Units (Mobile Fire Stations)	£0.580m
Pumping appliances x 5 (1920 & 2021 budgets)	£1.060m
Water tower	£0.500m
Softrack All-Terrain Vehicle	£0.083m
Pod x 3 (1819, 1920 & 2021 budgets)	£0.083m
Various support vehicles	£0.174m
Future firefighting – reserve appliances	£0.027m
CCTV on appliances	£0.150m
Fleet Workshop	£3.375m
Morecambe NWS co-location	£0.132m
Enhanced station dormitory and shower facilities	£0.350m
Drill tower replacements	£0.200m
Performance management system	£0.100m
Hydrant management system	£0.050m
Incident command system (linked to command units)	£0.100m
VMDS/MDT hardware replacement (linked to ESMCP)	£0.400m
Incident ground radios (linked to ESMCP)	£0.180m
On-Call alerters (linked to ESMCP)	£0.065m
ESMCP (Airwave replacement)	£1.000m
Total	£9.199m

This adjustment brings the remaining capital programme to £2.0m, however we are proposing to increase the STC Workshop budget by £34k (which will be transferred from where it currently sits in the Fleet Services revenue budget) for the breathing apparatus compressor replacement, to enable this to be done as part of the project due to its size and integration into the fabric of the building. The revised total budget remains at £2.0m (rounded to £m).

There remains very little spend against the resultant 2020/21 programme, just £1.1m, against vehicles and property projects, as departments have been dealing with the impacts of the ongoing pandemic. The current position against the programme is set out below, with further details in Appendix 2: -

Pumping Appliances	The amended budget allowed for the remaining stage payments for 7 pumping appliances for the 2018/19 programme, which have all now been delivered, in line with the budget, no further spend is expected.
Other vehicles	The amended budget allows for the replacement of support vehicles which are reviewed prior to replacement, with limited further spend anticipated prior to the year end. We have taken delivery of all vehicles ordered in the year and the spend is broadly in line with the budget.
Building Modifications	This budget allows for: <ul style="list-style-type: none"> Provision of a new workshop, BA Recovery and Trainer facility at STC. Work is ongoing on site, as the committed expenditure to date reflects, and the anticipated year end spend is circa £1.1m, however the majority of the budget

	<p>will be spent in the next financial year and was removed from the 2020/21 budget as referred earlier;</p> <ul style="list-style-type: none"> • South Shore refurbishment and extension is underway as the committed expenditure to date reflects, and is expected to be largely complete by the end of March.
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The committed costs to date will be met by revenue contributions, with the excess of contributions in year being put into the capital funding reserve.

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 Jan	Savings at end of Jan
	£m	£m	£m
Staffing, including post reductions plus management of vacancies	0.054	0.045	0.715
Draw down apprenticeship levy	0.215	0.179	0.148
Reduction in general reserve & unidentified savings target budgets	0.240	0.200	0.200
Reduction in Property utilities/rates budgets	0.085	0.071	0.091
Reduction in smoke detector purchase budgets	0.033	0.027	0.109
Procurement savings (these are savings on contract renewals, such as energy and laundry of fire kit contracts)	0.020	0.017	0.057
Balance – cash limiting previously underspent non pay budgets	0.093	0.077	0.077
Total	0.740	0.616	1.397

The performance to date is significantly ahead of target, largely due to savings in respect of staffing, smoke detectors and Procurement savings. We have already exceeded 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 JAN 2021	Total Budget	Budgeted Spend to Jan 2021	Actual Spend to Jan 2021	Variance O/Spend (U/Spend)	Variance Pay	Variance Non-Pay	Forecast outturn
	£000	£000	£000	£000	£000	£000	£000
Service Delivery							
Service Delivery	35,142	29,008	28,545	(462)	(357)	(105)	(156)
Protection Transformation	5	(219)	(51)	169	169	(0)	(0)
Covid-19	100	-	-	-	-	-	(0)
Control	1,214	1,214	1,214	0	-	0	0
Youth Engagement (inc PTV)	22	138	(12)	(150)	-	(150)	(55)
Special Projects	13	13	20	7	-	7	8
Strategy & Planning							
Service Development	4,292	3,587	3,358	(229)	(232)	2	(10)
Training & Operational Review	3,760	3,125	2,975	(150)	(79)	(71)	(68)
Fleet & Technical Services	2,679	2,140	2,106	(34)	(7)	(27)	(34)
Information Technology	2,626	2,128	2,074	(54)	(0)	(53)	(1)
Digital Transformation	307	207	169	(37)	(37)	-	-
People & Development							
Human Resources	651	535	559	24	11	12	15
Occupational Health Unit	241	202	176	(25)	6	(31)	(38)
Corporate Communications	320	255	229	(26)	(22)	(4)	(5)
Safety Health & Environment	234	186	190	4	7	(3)	(3)
Corporate Services							
Executive Board	1,058	886	824	(62)	(34)	(28)	(37)
Central Admin Office	807	661	570	(92)	(82)	(10)	(12)
Finance	142	118	130	12	9	3	4
Procurement	927	821	861	40	37	4	(4)
Property	1,831	1,378	1,284	(94)	(11)	(83)	(9)
External Funding	-	(7)	(11)	(5)	0	(5)	(7)
Pay	-	-	-	-	-	-	(731)
TOTAL DFM EXPENDITURE	56,371	46,375	45,211	(1,164)	(623)	(541)	(1,143)
Non DFM Expenditure							
Pensions Expenditure	1,309	1,224	1,225	1	-	1	2
Other Non-DFM Expenditure	(341)	(2,642)	(2,056)	586	(47)	634	760
NON-DFM EXPENDITURE	968	(1,419)	(831)	588	(47)	635	762
TOTAL BUDGET	57,339	44,956	44,380	(576)	(670)	94	(381)

APPENDIX 2

CAPITAL BUDGET 2020/21	Revised Prog	CFA Feb	Revised Prog	March Resources	Final Programme	Committed Exp	Year End Outturn	Slippage	Est final Cost	Over/ (Under) Spend
Vehicles										
Pumping Appliance	1.398	(1.060)	0.338	-	0.338	0.336	0.336	-	0.336	(0.002)
Other Vehicles	2.280	(2.010)	0.271	-	0.271	0.276	0.277	(0.000)	0.277	0.006
	3.678	(3.070)	0.609	-	0.609	0.611	0.613	(0.000)	0.613	0.004
Operational Equipment										
Operational Equipment	0.177	(0.177)	-	-	-	-	-	-	-	-
	0.177	(0.177)	-	-	-	-	-	-	-	-
Buildings Modifications										
STC Workshop	4.475	(3.375)	1.100	0.034	1.134	0.393	1.134	(0.000)	1.134	-
NWAS Co-location - Morecambe	0.132	(0.132)	-	-	-	-	-	-	-	-
Enhanced station facilities	0.657	(0.350)	0.307	-	0.307	0.090	0.307	-	0.307	-
Drill tower replacements	0.200	(0.200)	-	-	-	-	-	-	-	-
	5.464	(4.057)	1.407	0.034	1.441	0.483	1.441	(0.000)	1.441	-
ICT										
IT Systems	1.895	(1.895)	-	-	-	-	-	-	-	-
	1.895	(1.895)	-	-	-	-	-	-	-	-
Total Capital Requirement	11.214	(9.199)	2.016	0.034	2.050	1.094	2.054	(0.000)	2.054	0.004
Funding										
Capital Grant	1.000	(1.000)	-	-	-	-	-	-	-	-
Revenue Contributions	2.457	-	2.457	0.034	2.491	1.094	2.491	-	2.491	-
Earmarked Reserves	-	-	-	-	-	-	-	-	-	-
Capital Reserves	7.757	(8.199)	(0.441)	-	(0.441)	-	(0.437)	(0.000)	(0.437)	0.004
Total Capital Funding	11.214	(9.199)	2.016	0.034	2.050	1.094	2.054	(0.000)	2.054	0.004

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