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LANCASHIRE COMBINED FIRE AUTHORITY

RESOURCES COMMITTEE

Wednesday, 1 December 2021 in Washington Hall, Service Training Centre, Euxton commencing at 10.00 am.

If you have any queries regarding the agenda papers or require any further information, please initially contact Diane Brooks on telephone number Preston (01772) 866720 and she will be pleased to assist.

AGENDA

PART 1 (open to press and public)

Chairman's Announcement – Openness of Local Government Bodies Regulations 2014
This meeting will be held in line with Covid-19 restrictions.
Combined Fire Authority members will attend in person.

Members of the press and public can attend in person (subject to national Covid-19 restrictions) or view the meeting via a live webcast on YouTube.

Any persons present at the meeting may photograph, film or record the proceedings, during the public part of the agenda. Any member of the press and public who objects to being photographed, filmed or recorded should let it be known to the Chairman who will then instruct that those persons are not photographed, filmed or recorded.

1. APOLOGIES FOR ABSENCE

2. DISCLOSURE OF PECUNIARY AND NON-PECUNIARY INTERESTS

   Members are asked to consider any pecuniary and non-pecuniary interests they may have to disclose to the meeting in relation to matters under consideration on the agenda.

3. MINUTES OF THE PREVIOUS MEETING (Pages 1 - 20)

4. FINANCIAL MONITORING 2021/22 (Pages 21 - 30)

5. TREASURY MANAGEMENT - MID YEAR REPORT 2021/22 (Pages 31 - 38)

6. PEOPLE STRATEGY 2021 - 2024 (Pages 39 - 46)

7. WELLBEING AND WELLNESS INITIATIVES (Pages 47 - 48)

8. DATE AND TIME OF NEXT MEETING

   The next scheduled meeting of the Committee has been agreed for 10:00 hours on 30 March 2022 in Washington Hall, Service Training Centre, Euxton.

Lancashire Fire & Rescue Service Headquarters, Garstang Road, Fulwood, Preston PR2 3LH
Switchboard: 01772 862545 Democratic Services: 01772 866720
General Enquiries: enquiries@lancsfirerescue.org.uk

Further meetings are: scheduled for 6 July 2022 and 28 September 2022
proposed for 30 November 2022

9. 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.

10. 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

11. PENSIONS UPDATE (Pages 49 - 58)

(Paragraphs 4 and 5)

12. PFI CONTRACT - RE-FINANCING OF THE SENIOR DEBT (Pages 59 - 62)

(Paragraph 3)

13. HIGH VALUE PROCUREMENT PROJECTS (Pages 63 - 70)

(Paragraph 3)

14. URGENT BUSINESS (PART 2)

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

LANCASHIRE COMBINED FIRE AUTHORITY

RESOURCES COMMITTEE

Wednesday, 29 September 2021, at 10.00 am in the Washington Hall, Service Training Centre, Euxton.

MINUTES

PRESENT:

Councillors

T Williams (Chairman)
D O'Toole (Vice-Chair)
K Iddon
H Khan (for L Beavers)
J Mein
G Mirfin
M Pattison
S Serridge
R Woollam

Officers

K Mattinson, Director of Corporate Services (LFRS)
B Warren, Director of People and Development (LFRS)
J Baines, Head of Finance (LFRS)
T Cousins, Head of Fleet and Engineering Services (LFRS)
D Brooks, Principal Member Services Officer (LFRS)
L Barr, Member Services Officer (LFRS)

16-20/21 APOLOGIES FOR ABSENCE

Apologies were received from County Councillors Lorraine Beavers and Stuart Morris.

17-20/21 DISCLOSURE OF PECUNIARY AND NON-PECUNIARY INTERESTS

None received.

18-20/21 MINUTES OF THE PREVIOUS MEETING

In response to a question raised by County Councillor Pattison regarding whether consultation had taken place with staff regarding the Maternity Policy, what form this had taken and whether any feedback had been received the Director of People and Development confirmed that the consultation had largely taken place with interest groups, the Fire Brigade Union (FBU) and the Fire Officers' Association before the paper was brought to the Committee. No changes were made to the policy at the last Authority meeting therefore, further consultation was not specifically required. Feedback had subsequently been received from the FBU who had raised an issue of the day crewing allowance continuing when pay had ceased; however, this issue was and already had been refused.

RESOLVED: - That the Minutes of the last meeting held on 7 July 2021 be confirmed as a correct record and signed by the Chairman.

19-20/21 FLEET ASSET MANAGEMENT PLAN

Mr Tom Cousins, Head of Fleet and Engineering Services presented to Members the Fleet Asset Management Plan (FAMP). This was the fifth Fleet Asset Management Plan which continued to build on a structured approach to the management of operational vehicles, equipment, breathing apparatus and hydrant assets.

The FAMP was key in determining strategic decisions regarding assets and defining how resources were efficiently and effectively utilised. This would ensure that Lancashire Fire and Rescue Service (LFRS) vehicles and equipment provided a resilient service to meet the changing needs of a modern Fire and Rescue Service and the communities it served.

While the FAMP projected asset replacement over the next 20 years, in reality it set out an improvement plan for the next 3 years. The plan would be refreshed on a 3-year cycle to ensure it continued to accurately reflect the operating environment. This approach secured stability in capital and revenue budgets and facilitated the introduction of new technologies through a staged approach. The FAMP also covered short to medium term business planning improvement objectives.

Running a modern Fleet was a safety critical operation that must ensure employee and public safety. This was achieved through best practice in vehicle inspection, maintenance, operation and procurement. LFRS also ensured compliance to Department of Transport and Driver & Vehicle Standards Agency (DVSA) regulations on construction, use and roadworthiness.

Key projects in the 2021/24 FAMP were:

- Body worn and vehicle CCTV;
- Battery RTC Tools;
- Aerial Appliance provision;
- Replace Command Support Units;
- Breathing Apparatus and Telemetry Equipment;
- A Greener, more environmentally sustainable fleet.

The Head of Fleet and Engineering Services advised that in addition to the above key projects, wildfire, flooding and all-terrain provision was currently being assessed.

Running alongside the FAMP, Fleet and Engineering Services department also held an improvement plan, which focused on four key performance areas:

- Customer – building stronger working relations and meeting requirements;
- Financial – achieve efficiency savings and maintain a healthy replacement

plan;

- Systems – continued development of asset management systems;
- Development / Growth – invest in staff training and development.

The above, in conjunction with the FAMP, ensured that the Fleet and Engineering Services continued to provide the best possible support to Service Delivery.

In response to a question raised by County Councillor Pattison regarding appliance availability due to maintenance issues and particularly the availability of the Stinger vehicle, the Head of Fleet and Engineering Services reassured Members there was reserve fleet provision and a management system that recorded vehicle off road time to manage maintenance and repairs. He confirmed that in his experience, currently the Stinger vehicle was no more prone to defects than any other appliance. This perhaps was not the case when the vehicle was first delivered 4 years ago as it was in its development stage; the appliance was now a much more refined product.

In response to a question raised by County Councillor Mein regarding whether fleet maintenance was provided by Lancashire County Council (LCC), the Head of Fleet and Engineering Services confirmed that LCC was currently the main provider for the maintenance of the fleet however, some work was undertaken at the Service's new workshops alongside other specialist providers (ie: electrical work) to ensure maximum availability of appliances.

<u>RESOLVED</u>: - That the Committee noted the report and endorsed the 2021-2024 Fleet Asset Management Plan.

20-20/21 <u>PROCUREMENT STRATEGY</u>

The Director of Corporate Services presented the report. The current Procurement Strategy covered the period 2018-2021. This was approved in May 2018 and attached to the report as appendix 1. It was noted that a new Procurement Strategy would usually be produced for 2022-2025 however, the Government had published a green paper 'Transforming Public Sector Procurement' in December last year. The proposals within the Green Paper were intended to shape the future of public procurement in this country for many years to come.

The Government's goal was to speed up and simplify procurement processes, place value for money at their heart, and unleash opportunities for small businesses, charities and social enterprises to innovate in public service delivery. The current regimes for awarding public contracts were too restrictive with too much red tape for buyers and suppliers alike, which resulted in attention being focused on the wrong activities rather than value and transparency. It was now felt that a progressive, modern regime was required which could adapt to the fast-moving environment in which business operated. Markets and commercial practice were constantly evolving and the need to ensure that the new regulatory framework could drive a culture of continuous improvement to support more resilient, diverse and innovative supply chains.

The Government proposed to comprehensively streamline and simplify the complex framework of regulations that currently governed public procurement.

Rationalising and clarifying the parallel rules in the Public Contracts Regulations 2015, the Utilities Contracts Regulations 2016, the Concession Contracts Regulations 2016 and the Defence and Security Public Contracts Regulations 2011, replacing them all with a single, uniform set of rules for all contract awards. This would be supplemented with sector-specific parts or sections where different rules were required for effective operation or to protect our national interest, for example in the defence or utilities sectors.

The Government's stated aim was to provide the UK with a modern, fit-for-purpose set of rules, to minimise the bureaucratic burden for contracting authorities and businesses, facilitate innovation and the participation of small and medium sized enterprises and improve the process of challenging decisions in the courts. If the proposals were implemented, they would have a significant and long-term impact on public sector contracting.

The consultation closed on 10 March 2021. It was suggested that reforms were unlikely to be in place before the end of 2021 and some had suggested not until 2022/2023 but at this stage no guidance or outcomes of the consultation had been shared. Hence until such time as this was received it was proposed to extend the existing Strategy.

County Councillor O'Toole commented that some years ago the North West Fire Forum was set up (which included Greater Manchester, Cheshire, Merseyside, Cumbria and Lancashire Fire and Rescue Authorities). This worked well for continuity of procurement across the North West with the procurement of inter-changeable equipment. County Councillor O'Toole queried whether this procurement collaboration continued. In response, the Director of Corporate Services confirmed that Fire Services in the North West did continue to collaborate. He advised that consideration of national and regional frameworks would be given when commencing a procurement exercise but, collaboration was not always feasible due to timing and compatibility considerations.

In relation to Section 4 on Applicability (on page 78 of the agenda pack), County Councillor Mirfin queried whether the sector advised the Government of its thoughts on how the procurement process should change in relation to the threshold values of goods and how this should be advertised to the general public. In response, the Director of Corporate Services advised that discussions were held nationally across all sectors and there were responses to the green paper from the fire sector as a whole.

County Councillor Mirfin commented that part of the levelling up agenda was a greater focus on local businesses within the economy. He asked whether there would be an impact on the procurement process going forward. In response, the Director of Corporate Services advised that any procurement would need to comply with the eventual rules and it was hoped therefore, that the government would provide more flexibility, but that there was a limited supplier market for many of the items procured for the fire sector which also limited the scope for this.

RESOLVED: - That the Resources Committee extend the current Procurement Strategy to cover the period 2022/23.

21-20/21 FINANCIAL MONITORING

The Director of Corporate Services presented the report which set out the current budget position in respect of the 2021/22 revenue and capital budgets and performance against savings targets.

Section 31 Grant in respect of Business Rates Relief - update

Members were aware that part of the Authority's funding came from business rates in the form of a locally retained share and a top-up grant. As reported previously, the 2021/22 revenue budget assumed the receipt of £1.9m S31 grant for additional reliefs in respect of items such as retail, nursery and newspapers, announced prior to the 2021/22 budget setting exercise, to offset the shortfall carried forwards on the business rate collection fund. The grant amount had been confirmed and was anticipated to be received later in the financial year, most likely in Q4 2021/22, however it was likely to be paid over as part of the reconciliation carried out by central government after the completion of the Business Rates 2020/21 year-end returns submitted by billing authorities, which may affect the actual amount eventually received dependent on the overall reconciliation. This would be reported to Members in due course.

Local Tax Income Guarantee scheme

The government had announced proposals to support billing authorities by providing an additional grant equivalent to 75% of the shortfall in collection rates, for both Council Tax and Business Rates, during 2020/21. When the 2021/22 budget was set, billing authorities were unable to reliably estimate the grant due to the Authority, therefore this sum was excluded from the budget setting process, as reported to the Authority.

The shortfalls were calculated as part of the billing authority collection fund outturn reporting, and £132k was accrued in relation to this. In early June Ministry for Housing, Communities & Local Government (MHCLG) confirmed that we would receive an 'on account' payment of the sum of £74k for Business Rates, being 50% of their estimate of our entitlement under this guarantee scheme. The corresponding estimate for Council tax was nil. The final calculated grant was expected to be £160k (£28k higher than accrued) and the outstanding grant sum of £86k would be paid after a reconciliation of the submitted 2020/21 year-end returns. This was expected to result in an additional £28k income in 2021/22.

Pay awards 2021/22

As previously reported the unbudgeted grey book pay award of 1.5% would cost approx. £450k in 2021/22. The pay award for green book staff had not yet been agreed, but the pay offer had been increased to 1.75%, which would, after allowing for anticipated vacancies, cost approximately £100k more than allowed for in the budget.

Wholetime Staffing

Forecasting early retirements was extremely difficult, due to the uncertainty surrounding changes to pensions. Hence at the time of setting the budget it was highlighted that "actual retirements may vary from this due to the impact of either the transitional pension arrangements or making allowances pensionable, which may increase early leavers leading to a higher vacancy factor". This had proven to be the case, with a large number of wholetime leavers in the first four months of the year (33), which included 12 early leavers. Overall, this meant that at the end of July there were 10 fewer wholetime members of staff than budgeted, resulting in an underspend of circa £150k against budgeted establishment levels. If this position was maintained throughout the rest of the year this would result in an underspend of £425k. It was also noted that the wholetime budget anticipated two recruits' cohorts during the year, with 48 recruits in total, however current numbers only allowed for 38, with a subsequent increase in 2022/23 to compensate. This in-year shortfall resulted in an underspend of approx. £200k. If there were no further early leavers for the rest of the year (which seemed unlikely), there would have been an average of 13 vacant wholetime posts, equating to an underspend circa £625k. As such the anticipated underspend would more than offset the unfunded pay award in year.

Revenue Budget

The overall position at the end of July was an underspend of £0.1m, largely as a result of staffing vacancies.

The year to date and forecast 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)		Reason
	30 July 2021	Forecast	
	£'000		
Service Delivery	(65)	(196)	The underspend for both the first four months, and the year-end forecast, largely related to the reduced activity levels, in particular for smoke detector purchases, as was the case last financial year. It is worth noting that difficulties were currently being experienced in the supply chain for smoke alarms, and this may impact final spend in year.
Covid-19	-	-	Total funding of £1.6m had been received since March 2020. In addition, as previously reported, £0.2m of travel/mileage budgets had been transferred into this reserve to reflect savings in respect of differing working practices during the pandemic, resulting in total funding of £1.8m. Spend to the end of July was £1.6m, as follows: • Additional staff costs £0.4m • Additional cleaning £0.1m • Consumable items £0.2m • Remote working and video conferencing equipment £0.2m • PPE £0.7m

			With effect from 1 September, LFRS reduced the level of support offered to the large vaccination centres, handing over control back to the NHS. It was anticipated that the staffing costs in July and August would fully utilise the funding.
Property	(103)	(110)	Whilst non-essential maintenance was re-instated prior to the end of the last financial year, departmental capacity due to a vacant surveyor post, and the ongoing situation meant that there was an underspend to date. Whilst we had recruited to this post the new starter did not commence until November, and hence this situation was expected to continue for the short term, resulting in an underspend by year end.
Non DFM	117	345	The year to date and outturn overspend reflected the £0.3m funding gap identified at the time of setting the budget in February.
Wholetime Pay (including associate trainer costs)	34	240	As reported above, there had been several early leavers during the first four months, in excess of the number expected in the budget which caused an underspend. This was more than offset by: - • increased overtime costs, associated with covering vacancies, and staff absences. As the May recruits are posted to station in September the reliance on overtime should reduce in the second half of the year. • the unbudgeted grey book pay award of 1.5% will cost approx. £400k in 2021/22. The net of all the above factors was the forecast overspend of £240k, however it should be noted that should we continue to experience higher than expected early leavers this overspend may reduce.
On Call Pay	9	(31)	The position within On-call staffing was broadly breakeven, with the unbudgeted pay award being broadly offset by slightly higher staff vacancies than budgeted.

Support staff (less agency staff)	(159)	(197)	The underspend related to vacant posts across various departments, in excess of the 3.75% vacancy factor built into the budget. This was partly offset by spend on agency staff, which amounted to £24k in the period. Although recruitment activity had now recommenced the labour market had become more challenging and we were experiencing difficulties in filling posts. As such a high level of vacancies was anticipated to remain throughout the year. This would be partly offset by the eventual pay award for green book staff. This had not yet been agreed, but the pay offer had been increased to 1.75%, which had been reflected in the forecast outturn position which would be updated throughout the year.
Apprentice Levy	(5)	(20)	The apprentice levy was payable at 0.5% of each month's payroll costs, the budget for this was set at anticipated establishment levels, hence the underspend against this budget reflected the various pay budget underspends reported above.

It was noted that significant cost increases were being seen across various supply chains, and in particular in construction projects and this may affect the final outturn expenditure levels. This would continue to be monitored alongside other trends, to ensure that they were reflected in future year's budgets, as well as being reported to the Committee.

<u>Capital Budget</u>
The capital budget for 2021/22 currently stood at £10.5m.

Since the last meeting work had been undertaken with budget holders to review spend to date and anticipated timing of future spend. The current position against the programme being set out below: -

Pumping Appliances	The budget allowed for 7 replacement pumping appliances. Starting a procurement exercise in the second half of the financial year was anticipated, however due to lead times it was not anticipated incurring any costs in the current year and hence had moved the budget out of 2021/22.
Other vehicles	This budget allowed for the replacement of various operational support vehicles, the most significant of which were: • Two Command Support Units (CSU); • Two Water Towers;

	• One Turn Table Ladder (TTL); Differing procurement routes were being considered for each of these, and the use of national frameworks where appropriate was planned, however due to departmental capacity to progress several projects and associated lead times, anticipated spend had been moved out of 2021/22. The budget also allowed for various other operational support vehicles which were being progressed with several already received.
Operational Equipment/Future Firefighting	This budget allowed for: - • the progression of CCTV on pumping appliances, where it was proposed trialling this in the first instance and hence the project would not be complete by year end; • replacement of capital items from the equipment replacement plan, namely defibrillators and a replacement drone which had been ordered and light portable pumps, which had yet to be purchased. Again, where appropriate, it was intended to make use of existing procurement frameworks to progress these once specifications were completed.
Building Modifications	This budget allowed for: • Provision of a new workshop, BA Recovery and Trainer facility at STC. Spend to date was £1.9m. Work was expected to be completed within the budget in October 2021. A contact variation of £42k had been agreed for Compressor and furniture items that ISG had manufactured and installed; • South Shore refurbishment and extension had had a small amount of spend reflecting work completed in the new financial year, including a number of minor variations totalling £13k. This project was now complete; • Enhanced facilities at Hyndburn fire station, this was under review prior to moving to the procurement phase; • The budget for enhanced facilities at Blackpool fire station had been moved into 2022/23; • £0.3m budgetary provision for replacement drill towers, as it was the early stages of the procurement phase of the project, it was unlikely to fully spend this year's money and hence 50% had been moved into 2022/23; • £0.2m in relation to fees associated with

	progressing the business case for a SHQ relocation. As with the revenue budget, current departmental capacity to progress these was limited, hence removing £0.475m of budget.
IT systems	The majority of the capital budget related to the national Emergency Services Mobile Communications Project (ESMCP), to replace the Airwave wide area radio system and the replacement of the station end mobilising system. The ESMCP project budget, £1.0m, was offset by anticipated grant, however the timing of both expenditure and grant was dependent upon progress against the national project. This national project had suffered lengthy delays to date, hence had been slipped into the next financial year. The balance of the budget related to the replacement of various systems and ICT hardware, in line with the ICT asset management plan. Whilst initial scoping work was on-going to facilitate the replacement of some of these systems, the need to replace others was still being reviewed, hence the slippage of £0.755m into future financial years.

The committed costs to date would be met by revenue contributions.

The following table set out the anticipated slippage, outlined above, into 2022/23. These assumptions were estimates based on the current position, and similarly to the previous year, may be subject to change. The slippage represented a timing issue between financial years rather than incorrect budget requirements. In almost all cases, the slippage was caused by the ongoing effects of the pandemic, as departments were struggling with capacity issues when trying to catch up with delayed projects whilst continuing with business-as-usual activities, combined with lead times on procurement.

Item	**Budget £m**
Pumping appliances x 7	1.490
Command support units x 2	0.580
Turn table ladder (TTL) x 1	0.675
Water Tower x 2	1.000
Prime mover x 1	0.215
Pod x 1	0.028
CCTV on appliances	0.100
Enhanced station facilities at Blackpool	0.200
Drill tower replacements	0.150
ESMCP	1.000
Various ICT systems/hardware under review prior to replacement	0.755
Total	6.193

Offsetting this was £55k of contract variations outlined above in respect of BA Recovery and Trainer facility at STC and South Shore Station refurbishment and extension. These changes brought the revised capital programme for 2021/22 to £4.383m.

Delivery against savings targets
The performance to date was already ahead of the annual target, largely due to staffing vacancies and procurement savings. It was anticipated that the savings target for the financial year would be met.

In response to a question from County Councillor Mein regarding the shortfall in wholetime recruits (as detailed on page 88 of the agenda pack) the Director of People and Development confirmed there was an extensive process to ensure the recruitment of appropriate people to be firefighters. At the end of the process the best people were appointed. Because of a gap before starting some people had subsequently dropped out or got a job elsewhere. To recruit more people, it would be necessary to re-run the whole process. Due to the shortfall in numbers this year, near misses were considered and extra numbers required would be added into the next campaign (which had now started) to hopefully address the balance. Early leavers through changes to the pension scheme had disrupted plans considerably.

County Councillor Mein queried whether, based on experience the Service could have anticipated the number of early leavers and taken account of an additional proportion of recruits to compensate for those expected to drop out. In response, the Director of People and Development advised that some firefighters had retired early due to current uncertainty around changes to pensions; hence it was difficult to predict the scale of this. It was acknowledged that the number of early leavers could continue until the pension situation was resolved. This was therefore, being monitored very carefully and factored into future requirements.

In response to a query from County Councillor Mein regarding the difficulties recruiting to support staff vacancies the Director of People and Development advised that currently a number of people were making career choices that before the covid-19 pandemic they would not have done. For example, people were looking at flexibility which was one of the reasons the Service had made significant changes to its flexible working processes.

RESOLVED: - That the Committee: -
i) note the updates on the Business Rates relief and Local Tax Income Guarantee grants;
ii) note the effect of the 1.5% pay award for grey book personnel;
iii) note the potential effect of the 1.75% pay award offered to support staff;
iv) approve the amendment to the capital programme to remove expected slippage;
v) to make an additional revenue contribution of £55k into the capital programme to reflect the contract variations agreed on BA Recovery and Trainer facility at Service Training Centre and South Shore Station refurbishment and extension, and note the corresponding increase in the capital programme; and
vi) note and endorse the financial position.

22-20/21 EQUALITY, DIVERSITY AND INCLUSION REPORT

The Director of People and Development presented the report. As a public body there was a requirement to publish information which demonstrated compliance with the Equality Duty. As an employer the aim was to recruit and develop a diverse workforce and to ensure that the workforce could work with dignity and respect, protected from any type of prejudice or discrimination.

The Director of People and Development advised that an Equality Diversity and Inclusion Steering Group had been established which was chaired by the Chief Fire Officer to reflect that equality, diversity and inclusion was across all parts of the Service.

Equality objectives (as set out on page 104 of the agenda pack) were:

Our communities:

- Support local businesses to reduce the risk of fire and remain compliant within fire safety legislation;
- Reduce the number and impact of fire and other emergencies to our diverse communities across Lancashire;
- Develop and deliver a Prevention service targeting our most vulnerable communities.

Our workforce:

- Promote equality in our workforce policies and workforce practices;
- Develop our staff to ensure they can respond competently meeting the different needs of our diverse communities.

It was noted that the completion of Equality Impact Assessments (EIA) was no longer a legal requirement however, it was considered EIA was an effective tool in demonstrating how the Service met its legal requirements under the public sector equality duty, identifying the impact of policies and decisions on staff and communities and ensuring that the impact was fully understood and any negative impact mitigated. The Service ensured that any partnership operated in line with equality principles and associated equality duties.

Members noted other areas of focus related to equality, diversity and inclusion set out in section 7 of the report (which commenced on page 106 of the agenda pack) were: -

Accessibility
Information was made available in a variety of formats using multiple channels to best reach Lancashire's diverse communities. Equality and diversity values were promoted in key publications and information sources internally and externally. Information was provided in printed form and via digital channels including the website. The website met web content accessibility guidelines and work was ongoing towards compliance with public sector bodies (websites and mobile applications) accessibility regulations 2018. Key messages were targeted at those who were most at risk. Positive action campaigns were undertaken when recruiting to encourage women and under-represented groups

to apply. National campaigns and special events were supported (such as: Pride Month, I'm not a Muslim but I will Fast for One Day and International Women's Day). Information was also available in alternative formats (large print, additional languages on request and videos were produced with subtitles). Measures from the British Dyslexia Association's style guide were also applied to both internal and external material.

Training and Development
The Service had a proactive approach to training and development in relation to equality, diversity and inclusion. The Service prioritised the development of a strong organisational culture where its values were understood, receiving 'outstanding' in its inspection by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services. In addition to its STRIVE values, the Service had adopted the Code of Ethics for Fire and Rescue Services developed by the National Fire Chiefs Council and the Local Government Association.

Recruitment and Selection
The Service continued its journey to improve the diversity of its workforce to ensure that it represented the community it served. During 2018/19 the Service was successful in becoming an employer provider and recruited its first cohort of apprentices. During 2020, the Service experienced real challenges in delivering positive action through the covid-19 pandemic with community engagement events postponed. The recruitment campaign was delivered digitally, and while was positive in attracting women was less successful in recruiting candidates from black and minority ethnic communities. During 2021, there was an opportunity to commence re-engagement with communities on a face-to-face basis with a view to promoting the Service as an employer of choice and the role of firefighter as an occupation open to people of all abilities, races, faiths, genders and backgrounds.

Workforce Strategies and Policies
The Service ensured its employment procedures were Equality Impact Assessed to ensure that equality was considered transparently in the development and implementation of its policies. The Service monitored the composition of its workforce (as now considered at appendix A). It looked to promote equality of opportunity in recruitment, selection, pay, promotion, training, grievance and exit from employment. Members considered (appendix B which showed) a breakdown of candidates recruited and selected during the period 1/4/20-31/3/21; an updated total number of applications during the period was tabled at the meeting. There were a number of policies which supported employees with protected characteristics including: bullying and harassment, maternity, shared parental leave, grievance policy and the EDI policy. During 2021, the maternity, paternity and adoption provisions had been improved. Due to the pandemic the service had to work flexibly and would be looking how it could develop new ways of hybrid working, creating flexibility for staff. In light of the new Code of Ethics a number of existing Service policies would be reviewed to embed the code into existing employment practices.

Engagement and Consultation
The Service engaged with staff formally through the Trade Unions through formal and informal consultation meetings. Workforce and employment-related decisions and documents were reviewed with trade union representatives and other appropriate staff. It was noted that the staff survey had become and

effective way of receiving feedback from staff, and this was used by Heads of Department to inform the development of local policies and communication. Employee voice groups were used to consult with staff. There had been an increased use of Zoom and Teams during the pandemic which enabled a greater reach to communicate with wider groups of people. The new Engine House intranet was successful and the 'shout up' section allowed staff to discuss and share views on a range of topics. It was noted that the Service had produced learnpro modules for staff information which included 4 videos from staff telling their stories about what it was like to work in the Service.

The Service continued to collaborate and work with partners, particularly those in the Lancashire Resilience Forum and the Service had a Consultation Strategy which set out how it consulted.

Performance Management
The Annual Service Plan detailed the activities undertaken in year to deliver the strategy set out in the Integrated Risk Management Plan. All staff had a performance appraisal where objectives were set which supported the delivery of plans and feedback was given on performance in relation to our values. Within the appraisal was the opportunity to have a career conversation, a useful tool to inform workforce planning. During 2021, supervisory mangers would be developed to use this more effectively to identify training needs, communication promotion pathways, identify talent and nurture potential.

Bullying and Harassment
The Service had highly effective employee grievance and bullying and harassment procedures for dealing with employee complaints. It had promoted the principle of having an informal word at the right time and then adopting the more formal approach where issues were identified, and this had worked successfully. The Service had reviewed its existing arrangements with a view of checking if there were issues of concern within the workplace and the benefits of establishing a mechanism of formally reporting informal issues raised however, the review concluded that it would be onerous and would damage the principle of dealing with issues informally. In addition, further to a recent review of the capability procedure, Trade Union representatives advised addressing issues informally and not recording them was of benefit in terms of engaging members of staff and effecting change.

Gender Pay Gap
It was noted that due to the Covid-19 pandemic the government had removed the requirements relating to the gender pay gap reporting for 2020. The Director of People and Development advised that the 2021 Gender Pay Gap would be reported to a future meeting.

Additional appendices considered were appendix C, Disciplinary, Grievance, Harassment and Bullying, appendix D, EDI Completed Action Plan 2020/21 and appendix E – EDI Action Plan 2021/22.

County Councillor Woollam referred to page 112 of the agenda pack which detailed the average age of wholetime firefighters to be 43 for all roles and 47 for strategic and first line supervisor roles. He queried what work was being done to encourage more people into the fire service, in particular the recruitment of younger people. In response, the Director of People and Development advised that the average age reflected the length of employment and low turnover. Recruits tended to be newer to the job market (including graduates), or after having some work experience and were therefore younger. He confirmed that the Service did not employ anyone younger than 18 unless they had joined as a fire cadet.

In addition, the Director of People and Development confirmed there were close links with the University of Central Lancashire who ran a Fire degree course which the Service had at times provided input into. It was noted that a further challenge regarding workforce planning was the requirement for more qualified fire safety inspectors following regulatory changes in technical fire safety.

In relation to page 116 of the agenda pack regarding the number of potential harassment and bullying cases County Councillor Pattison queried whether there were team building/training days. In response, the Director of People and Development advised that as part the apprentice training there was a residential element which concentrated on our values. He confirmed that during a person's career there were various learning and development activities that included elements of team building. In relation to bullying and harassment, he would be very disappointed if someone who worked for the Service did not understand the STRIVE values and knew what was expected of their behaviours around STRIVE values and the Code of Ethics.

County Councillor Mirfin, referred to the age profile on page 113 of the agenda pack. He commented there were a lot of people in the age groups 45-49 and 50-55 and queried how the Service addressed the potential loss of institutional memory as experienced people left the Service. In response the Director of People and Development advised that due to constraints the Authority decided not to recruit firefighters for an extended period rather than make people redundant. The resulting gap in the workforce was being addressed through workforce planning and organisational development. There was a challenge to maintain operational experience however, the Service was looking at promotional pathways to develop people with the right abilities to be available at the right time and place. Contingency planning was also required for personnel in support functions.

RESOLVED:- That the report be noted.

23-20/21 ORGANISATIONAL DEVELOPMENT PLAN

The Organisational Development Plan was presented by the Director of People and Development. The document was a dynamic and evolving plan as more issues were identified or their importance increased or decreased and approaches to address deficiencies were progressed.

Changes as a result of experience would need to be factored into actions taken when fully known and understood as would the developing picture in respect of the apparent deficits in the protection of the built environment impacted on proposals for the Protection activity arising from the implications of the Grenfell incident. Progress would be impacted by sourcing and the availability of funding. However, the plan demonstrated the thrust in respect of organisational development and measures being developed and progressed.

The Organisational Development Plan was part of a suite of documents that informed and guided the Authority's Human Resources policies. It set out strategic people priorities, Service STRIVE values (Service, Trust, Respect, Integrity, Valued and Empowered) which were supported by the national Core Code of Ethics for Fire and Rescue Services in England; and organisational development priorities (which included embedding Service values and behaviours and developing capability and resilience of leaders).

RESOLVED: - That the Committee noted the report.

24-20/21 DEBT RESTRUCTURING REPORT

The Director of Corporate Services presented the report. The Authority currently held £2.0m of debt, incurring annual interest charges of £90k on this. As such the report considered options around early repayment.

The Director of Corporate Services advised that the Authority's 2021/22 Treasury Management strategy outlined the following position in respect of existing debt.

"The Authority's debt has arisen as a result of prior years' capital investment decisions. It has not taken any new borrowing out since 2007 as it has been utilising cash balances to pay off debt as it matures, or when deemed appropriate with the authority making early payment of debt. The anticipated holding of debt at 31 March 2021 is £2.0m. All the debt is from the Public Works Loans Board (PWLB) and is all at fixed rates of interest and is repayable on maturity. The table below shows the maturity profile and interest rate applicable on these: -

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

(Note, this debt was taken out in 2007 when the base rate was 5.75% and when the Authority was earning 5.84% return on its investments.)

Given the high interest rates payable on these loans, relative to current interest rates, we have again reviewed opportunities for debt repayment/restructuring. The level of penalty applicable on early repayment of loans now stands at £1.180m. (As previously reported the level of penalty is dependent upon two factors, the difference between the interest chargeable on the loan and current interest rates, the greater this difference the greater the penalty, and the length to maturity, the greater the remaining time of the loan the greater the penalty. Hence as interest rates increase or as loans get closer to maturity the level of penalty will reduce.)

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

Penalty incurred	*1.180*
Savings on interest payable	*(1.407)*
Gross Saving	*(0.277)*

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

It is also worth noting that the capital budget does allow for additional borrowing within the next 5 years. Current long-term borrowing rates are 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 is considered beneficial to retain these loans."

A further update on this position had now been prepared in line with the resolution of the June Resources Committee.

Total debt remained at £2.0m, incurring £0.090m of interest payments each year. Outstanding interest payable between now and maturity totalled £1.363m. The penalty payable on early repayment now stood at £1.063m. (It was noted that the penalty changed on a daily basis and therefore actual cost would not be known until a request had been made to PWLB.)

Savings on interest payable	(1.363)
Penalty incurred	1.063
Gross Saving	(0.300)

Any early repayment meant that cash balances available for investment would be reduced and hence interest receivable would also be reduced. The extent of this was dependent upon future interest rates, which were unknown hence the following possible scenarios had been calculated: -

	Investment rate	Lost Investment Income
Current Base Rate	0.10%	0.047
Current 5-year Investment rate	1.00%	0.474
Estimated 10-year Investment rate	1.25%	0.592
Estimated 15-year Investment rate	1.50%	0.710

- If interest rate remained at the current historically low level of 0.10% throughout the next 15/16 years, which seemed very unlikely, and the investment was left in the call account, the lost interest receivable £0.047m would not outweigh the net saving from paying off the loan, and hence it would be financially beneficial to pay the loans off.
- The current 5-year investment rate was approx. 1.00%, if the cash balance in this type of investment was maintained throughout the next 15/16 years, then the lost interest receivable £0.474m would outweigh the net saving from paying off the loan, and hence it would not be financially beneficial to pay the loans off.
- Looking at potential 10-year and 15-year investment rates of 1.25% and 1.50% the lost interest was even higher and hence paying off the loan was even less attractive. (It was noted that these were estimated interest rates as

a broker would be needed to offer these investments if there was interest in fixing longer term investments.)

The breakeven position occurred at an interest rate of 0.63%, whereby lost interest receivable netted off exactly against the net saving from paying the loan off early.

The position was further complicated by additional borrowing requirements shown in the current draft capital programme 2021/26. This showed new borrowing of £9m being required in 2025/26, hence if the loans were paid off now the amount of borrowing required in future years would simply be £2.0m more than currently forecast, £11m as opposed to £9m. The current rate for long-term borrowing was between 1.65% and 1.85%, which again were historically low levels. Even at the lower of these rates, the additional £2.0m of borrowing would incur additional interest charges of £0.396m over the next 15 years. These more than offset the gross saving of £0.300m identified earlier, which demonstrated that paying off the loans early and re-borrowing due to future capital plans would result in a net additional cost of £0.096m (ignoring any lost investment income), £0.144m if there was an allowance of £0.047m for lost investment income.

Summary

The following table summarised the position:

	Current 0.10% Investment Income	Breakeven 0.63% Investment Income	Notional 1.00% Investment Income	New Capital Borrowing
Penalty Incurred	1.063	1.063	1.063	1.063
Interest saved on current loans	(1.363)	(1.363)	(1.363)	(1.363)
Lost Investment Income	0.047	0.300	0.474	0.047
Cost of new borrowing required in 25/26				0.396
(Surplus)/Deficit Net Position	(0.252)	-	0.174	0.144

Ultimately any decision regarding early repayment of debt relied on future interest rates and future borrowing requirements. Future interest rates could not be known with any degree of certainty, hence there was always a risk that any decision would be incorrect. Paying off the debt early gave certainty; it enabled all the costs to be met in the current year and eliminated the interest payable budget (until such time as additional borrowing was taken out in future years), reducing the pressure on the revenue budget in future years. The Authority had sufficient cash balances to meet any repayments costs, but the penalty costs associated with this would be charged to the revenue budget, which would result in a significant in-year overspend.

However, the over-riding considerations in any decision had to be the net financial impact allowing for either lost interest receivable on investment opportunities and/or additional interest charges on new borrowing. Both of these meant that paying off the debt did not make financial sense, as any net saving was more than offset by either lost interest receivable and/or the additional interest payable on the new borrowing.

County Councillor Woollam noted that all the loans were at a fixed rate with the Public Works Loan Board. He queried whether consideration had been given to other lending facilities. In response, the Director of Corporate Services advised that the loans were taken out in 2007 and no further borrowing had been taken out since then. He confirmed there were a range of options if there was a need for future borrowing and consideration would be given to the best options. In terms of investments, the Treasury Management Strategy was approved in February each year and investment was made with other local authorities because of the Authority's low risk appetite.

The Chairman advised that he had undertaken some comparison with other local authorities borrowing which had been taken out at a similar time and he was pleased to advise that the interest rates payable on the Authority's borrowing was far lower.

RESOLVED: - That the Committee agreed to leave the debt/investment portfolio as it currently stands and review further if the penalty on early repayment reduces significantly.

25-20/21 MODERN SLAVERY

The Director of Corporate Services presented the report. Lancashire Fire and Rescue Service (LFRS) supported the implementation of the Modern Slavery Act 2015. The Act consolidated slavery and trafficking offences, introduced tougher penalties and sentencing rules and provided more support for victims.

The Service recognised its responsibilities as an employer and procurer / commissioner of services and was committed to doing all that it could to prevent slavery and human trafficking in corporate activities and to ensuring that supply chains were free from slavery and/or human trafficking.

Modern slavery was a crime and a violation of fundamental human rights. It took various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which had in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain. To tackle these crimes, the Modern Slavery Act 2015 was introduced. The Modern Slavery and Human Trafficking Statement, as considered by Members, set out the current position within the Service following the introduction of the Modern Slavery Act 2015.

It was noted that the Service would support the Act through: i) staff training and education; ii) supporting victim identification; iii) partnership working in collaboration with relevant agencies and groups; and, iv) adopting responsible procurement practices.

It was also noted that an action plan was provided which stated that the Service would: redesign the online safeguarding package, provide additional training packages relevant to specific roles and continue to develop targeting and delivery of prevention and protection activities through closer working Gangmasters and the Labour Abuse Authority, Police and Local Authorities.

RESOLVED: - That the Committee approve the Modern Slavery and Human Trafficking Statement for publication.

26-20/21 DATE AND TIME OF NEXT MEETING

The next meeting of the Committee would be held on Wednesday 1 December 2021, at 1000 hours in Washington Hall, Service Training Centre, Euxton.

Further meeting dates were noted for 30 March 2022 and 6 July 2022 and agreed for 28 September 2022.

27-20/21 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.

28-20/21 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 the report.

M NOLAN
Clerk to CFA

LFRS HQ
Fulwood

LANCASHIRE COMBINED FIRE AUTHORITY
RESOURCES COMMITTEE
Meeting to be held on 1 December 2021

FINANCIAL MONITORING 2021/22
(Appendices 1 and 2 refer)

Contact for further information: Keith Mattinson - Director of Corporate Services
Tel: 01772 866804

Table 1Executive Summary and Recommendations

Executive Summary The report sets out the current budget position in respect of the 2021/22 revenue and capital budgets and performance against savings targets. **Recommendation(s)** The Committee is requested to: • note and endorse the financial position; and • approve the virement to transfer £68k RCCO into the capital programme to fund the purchase of an all-terrain vehicle.

Information

The overall position at the end of September is an underspend of £0.2m, with a forecast outturn position of an underspend of £0.4m. Both are a combination of the level of staffing vacancies, the slow return to business-as-usual spending activities, less the funding gap identified at budget setting and the unbudgeted pay awards.

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)		Reason
	30 Sept 2021	Forecast	
	£'000		
Service Delivery	(51)	(104)	The underspend for both the first six months, and the year-end forecast, largely relates to the reduced activity levels in the following areas: • Smoke detectors, in addition recent difficulties in the supply chain for smoke alarms are partially resolved, however a potential increase in costs has been identified which may impact final spend in year;

			• Travel budgets, which are significantly underspent, it is expected that changing working practices for non-operational staff will mean reduced usage in the future
Covid-19	-	-	We have received total funding of £1.6m since March 2020. In addition, as previously reported, we have transferred £0.2m of travel/mileage budgets into this reserve to reflect savings in respect of differing working practices during the pandemic, resulting in total funding of £1.8m. We have spent £1.7m to the end of September, as follows: • Additional staff costs £0.5m • Additional cleaning £0.1m • Consumable items £0.2m • Remote working and video conferencing equipment £0.2m • PPE £0.7m With effect from 1 September, LFRS reduced the level of support offered to the large vaccination centres, handing over control back to the NHS. The remaining has been partially utilised during October, with some staff overtime and the order for personal issue P3 masks costing £21k, leaving an estimated balance of £50k for use in November/December.
TOR	(44)	(209)	The current and forecast underspend largely relates to the position with apprentice levy income for wholetime recruits. At the time of setting the budget it was anticipated that the recruit numbers would fully utilise the balance in the levy account, therefore the income budget was set at £0.2m. During the year, levy drawdown forecasts have been updated as follows: • Following a nationwide review of the wholetime fire-fighter apprenticeship programme, which LFRS participated in, the government apprentice levy setting body agreed an uplift to the funding for each apprentice starting after January 2021 from £12k to £14k over the 24 month apprenticeship, resulting in additional income circa £46k in 2021/22; • levy account shortfalls will be met by 95% funding (known as co-investment) from the Government, which means we will

			benefit from £163k additional levy income in the financial year. TOR have been catching up on training during the year and spend on external training is currently in line with budget.
Property	(203)	(148)	Whilst non-essential maintenance was re-instated prior to the end of the last financial year, departmental capacity due to a vacant surveyor post, and the ongoing situation means that there is an underspend to date. The post was filled from the start of November; therefore the outturn forecast assumes that there will be some catch up spend for the final few months, reducing the current level of underspend.
Non DFM	273	582	Both the year to date and outturn overspend position reflect: • the £0.3m funding gap identified at the time of setting the budget in February • additional RCCO for the capital programme STC workshop and South Shore refurbishment previously approved, plus • the request for the approval of additional £0.1m RCCO in relation to the purchase of a second Haglund vehicle (see capital budget below).
Wholetime Pay (including associate trainer costs)	114	66	As previously reported there have been significantly more early leavers than allowed for in the budget. At the end of September, we had 10 fewer wholetime members of staff than budgeted, resulting in an underspend of circa £200k against budgeted establishment levels. It is extremely hard to predict leavers for the remainder of the year, however assuming that early leavers slow down in the second half of the year, we anticipate an underspend against establishment of approx. £0.5m. In addition, as previously reported, there is a shortfall in recruit numbers this year, with 35 recruits compared with a budgeted 48, which leads to a further underspend of £130k. Broadly speaking these are offset by:- • the unbudgeted grey book pay award of 1.5%, at a cost of £0.4m, as previously reported. • increased overtime costs, associated with covering vacancies, and staff absences,. (As the May recruits were posted to station in September the reliance on

			overtime should reduce during the second half of the year.) The net of all the above factors is the forecast overspend of £66k, however it should be noted that if we continue to experience higher than expected early leavers this overspend may reduce or, in all probability, become an underspend.
On Call Pay	(42)	(49)	The position within On-call staffing is slightly underspent, with the unbudgeted pay award being more than offset by higher staff vacancies than budgeted.
Support staff (less agency staff)	(228)	(239)	The underspend relates to vacant posts across various departments, circa 12% of the establishment in early October, far in excess of the 3.75% vacancy factor built into the budget. This is partly offset by spend on agency staff, which amounted to £41k in the period. Although recruitment activity has now recommenced the labour market has become more challenging and we are experiencing difficulties in filling posts. As such we anticipate the high level of vacancies remaining throughout the year. This will be partly offset by the eventual pay award for green book staff. This has not yet been agreed, but the pay offer has been increased to 1.75%, which has been reflected in the forecast outturn position which will be updated as we progress through the year.
Apprentice Levy	(9)	(23)	The apprentice levy is payable at 0.5% of each months payroll costs, the budget for this was set at anticipated establishment levels, hence the underspend against this budget reflects the various pay budget underspends reported above.

It is worth noting that we are seeing significant cost increases across various supply chains, and in particular in construction projects and this may affect the final outturn expenditure levels. We will continue to monitor this, and other trends, to ensure that they are reflected in future year's budgets, as well as being reported to Resources Committee.

Grant Funding

The Authority receives specific grants from the Government in respect of various new initiatives. These are included in the revenue budget position shown above, but are separated out below for visibility:

	S31 Covid grant £000	Protection uplift £000	Building Risk Review £000	Accreditation £000	Grenfell Infrastructure £000	Pensions Admin £000
Grant	(1,622)	(584)	(60)	(35)	(150)	(94)
Tfr in from budgets	(172)	-	-	-	-	-
Utilised	1,645	305	49	-	113	39
Bal Remining	(149)	(279)	(11)	(35)	(37)	(55)

Our forecast outturn assumes that all grant is spent in year, but any that is not will be carried forward as an earmarked reserve to use in the new year.

Capital Budget

The approved capital budget for 2021/22 stands at £4.4m.

Following discussions with the Chair and Vice Chair the budget has been increased to allow for the purchase of a second Haglund to enhance our operational response to emergencies in remote/inaccessible locations. These machines are ex-military machines which use rubber tracks instead of wheels, have low ground pressure, despite their size, and can cross soft ground with relative ease. This capability enables the Service to provide year-round emergency cover in response to natural disasters across the County, especially flooding, which is becoming more severe and intense. The original capital budget allowed for the purchase of one such machine, and we are currently working up a Climate Change Operational Response Plan which will recommend the purchase of a second machine. Initially we had planned to include this in next year's capital programme, but the supplier has confirmed that buying both at the same time will generate a saving of £9k across both machines.

To date we have committed £2.7m of the programme, with an anticipated year end spend of £4.0m, as set out below, with further details in Appendix 2: -

	Spend to 30 Sept 2021	
	£m	
Other vehicles	0.2	This budget allowed for the replacement of various operational support vehicles. Whilst some of the operational support vehicles have been ordered and delivered, others are still being reviewed and it appears increasingly unlikely that we will fully utilise the budget in year.
Operational Equipment/Future Firefighting	0.1	This budget allowed for • replacement of capital items from the equipment replacement plan, namely defibrillators and a replacement drone which have been delivered • replacement of light portable pumps, which have yet to be ordered

		• progression of CCTV on pumping appliances, where we are proposing trialling this in the first instance and hence the project will not be complete by year end The anticipated slippage relating to the latter two programmes
Building Modifications	2.4	This budget allowed for: • Provision of a new workshop, BA Recovery and Trainer facility at STC. Committed spend to date is £2.4m. Work has been completed and the building was handed over to the Authority at the end of October 2021. We have agreed a contact variation of £42k for Compressor and furniture items that ISG have manufactured and installed; • Enhanced station facilities comprising the final payment in respect of South Shore refurbishment and extension, and changes at Hyndburn fire station, where final designs are being reviewed prior to moving to the procurement phase, but where budget seems likely to slip into 2022/23; • Replacement drill towers where we have appointed a partner contractor to take the project forward, with a view to commencing construction prior to the year end; • Fees associated with progressing the business case for a SHQ relocation, which are unlikely to be spent in year. As with the revenue budget, current departmental capacity to progress these was previously limited, hence the slippage indicated in Appendix 2.
IT systems	-	The budget relates to the replacement of various systems and ICT hardware, in line with the ICT asset management plan. Whilst initial scoping work is on-going to facilitate the replacement of some of these systems, we are still forecasting utilising the budget in the current year.

The committed costs to date will be met by revenue contributions (£2.4m) and capital reserves (£0.3m). With the remaining in year spend being funded from a further £1.3m use of capital reserves.

As highlighted earlier we are seeing significant cost increases across various supply chains, and in particular in construction projects and this may affect some of the capital projects as they progress through the procurement stage.

Delivery against savings targets

The following table sets out the savings targets identified during the budget setting process, hence removed from the 2021/22 budget, and performance to date against this target: -

	Annual Target	Target at end of Sept	Savings at end of Sept
	£m	£m	£m
Staffing, including post reductions plus management of vacancies	0.058	0.029	0.193
Reduction in the vehicle R&M budget in line with contract management	0.095	0.048	0.059
Procurement savings	-	-	0.031
Balance – cash limiting previously underspent non pay budgets	0.026	0.013	0.013
Total	0.179	0.090	0.297

The performance to date is already ahead of the annual target, largely due to staffing vacancies.

Business Risk

None

Environmental Impact

None

Equality and Diversity Implications

None

HR Implications

None

Financial Implications

As set out in the report

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

Table 2 Details of any background papers

Paper:	
Date:	
Contact:	
Reason for inclusion in Part 2 if appropriate:	

Appendix 1

	Total Budget	Budgeted Spend to Sep 2021	Actual Spend to Sep 2021	Variance O/Spend (U/Spend)	Variance Pay	Variance Non-Pay	Forecast
	£000	£000	£000	£000	£000	£000	£000
Service Delivery							
Service Delivery	34,919	17,723	17,792	69	120	(51)	(104)
Prevention & Protection	2,714	1,313	1,235	(78)	(102)	23	15
Covid-19	0	4	4	(0)	-	(0)	(0)
Control	1,298	1,298	1,298	0	-	0	0
Youth Engagement (inc Princes Trust)	22	157	158	1	-	1	1
Special Projects (ISAR)	13	6	(2)	(9)	-	(9)	(5)
Strategy & Planning							
Service Development	1,461	697	725	28	54	(26)	(52)
Training & Operational Review	4,179	2,208	2,030	(178)	(134)	(44)	(209)
Fleet & Technical Services	2,732	1,570	1,589	18	2	17	33
Information Technology	2,721	1,733	1,755	21	(13)	34	(10)
Digital Transformation	347	173	158	(15)	(15)	-	-
People & Development							
Human Resources	731	338	384	46	33	13	12
Occupational Health Unit	244	122	105	(17)	(3)	(14)	(17)
Corporate Communications	344	175	141	(35)	(17)	(17)	(34)
Safety Health & Environment	242	109	101	(8)	1	(9)	(6)
	-	-	-	-	-	-	-
Corporate Services							
Executive Board	1,039	546	555	9	11	(2)	(4)
Central Admin Office	828	407	339	(68)	(65)	(3)	(5)
Finance	148	74	74	(0)	(1)	1	2
Procurement	945	473	390	(83)	(11)	(73)	(135)
Property	2,072	1,074	855	(219)	(16)	(203)	(148)
External Funding	0	(12)	(17)	(5)	(0)	(5)	(10)
Pay							(243)
TOTAL DFM EXPENDITURE	**57,000**	**30,188**	**29,666**	**(522)**	**(157)**	**(364)**	**(920)**
Non DFM Expenditure							
Pensions Expenditure	1,287	837	843	5	-	5	(38)
Other Non-DFM Expenditure	(111)	(2,278)	(2,006)	273	(7)	279	582
NON-DFM EXPENDITURE	**1,176**	**(1,441)**	**(1,163)**	**278**	**(7)**	**285**	**544**
TOTAL BUDGET	**58,175**	**28,747**	**28,503**	**(244)**	**(164)**	**(79)**	**(376)**

	Revised Programme	Resources Nov	Revised Prog	Committed Exp	Year End Outturn	Slippage	Est final Cost	Over/ (Under) Spend
Vehicles								
Pumping Appliance	-	-	-	-	-	-	-	-
Other Vehicles	0.538	0.068	0.606	0.154	0.356	(0.250)	0.606	-
	0.538	0.068	0.606	0.154	0.356	(0.250)	0.606	-
Operational Equipment								
Operational Equipment	0.329	-	0.329	0.095	0.095	(0.212)	0.307	(0.022)
	0.329	-	0.329	0.095	0.095	(0.212)	0.307	(0.022)
Buildings Modifications								
STC Workshop	2.783	-	2.783	2.414	2.783	-	2.783	-
Enhanced station facilities	0.183	-	0.183	0.033	0.183	-	0.183	-
Drill tower replacements	0.150	-	0.150	0.000	0.150	(0.000)	0.150	-
SHQ Relocation	0.150	-	0.150	-	0.150	-	0.150	-
	3.266	-	3.266	2.447	3.266	(0.000)	3.266	-
ICT								
IT Systems	0.250	-	0.250	-	0.250	(0.000)	0.250	-
	0.250	-	0.250	-	0.250	(0.000)	0.250	-
Total Capital Requirement	**4.383**	**0.068**	**4.451**	**2.697**	**3.967**	**(0.462)**	**4.429**	**(0.022)**
Funding								
Capital Grant	-	-	-	-	-	-	-	-
Revenue Contributions	2.305	0.068	2.373	2.373	2.373	-	2.373	-
Earmarked Reserves	-	-	-	-	-	-	-	-
Capital Reserves	2.078	-	2.078	0.324	1.594	(0.462)	2.056	(0.020)
Total Capital Funding	**4.383**	**0.068**	**4.451**	**2.697**	**3.967**	**(0.462)**	**4.429**	**(0.020)**

LANCASHIRE COMBINED FIRE AUTHORITY
RESOURCES COMMITTEE
Meeting to be held on 1 December 2021

TREASURY MANAGEMENT MID-YEAR REPORT 2021/22

Contact for further information:
Keith Mattinson - Director of Corporate Services – Telephone Number 01772 866804

Table 1Executive Summary and Recommendations

Executive Summary The report sets out the Authority's borrowing and lending activities during 2021/22. Decisions taken were in accordance with the Treasury Management Strategy and were based on anticipated spending and interest rates prevailing at the time. **Recommendation(s)** The Authority is asked to note and endorse the report.

Information

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

Economic Overview

The economic recovery from the coronavirus pandemic continued to dominate the first half of the financial year both in the UK and many other parts of the world. However in its September 2021 policy announcement, the Bank of England (BoE) noted it now expected the UK economy to grow at a slower pace than was predicted in August, as the pace of the global recovery had shown signs of slowing and there were concerns inflationary pressures may be more persistent. Bank expectations for GDP growth for the third (calendar) quarter were revised down to 2.1% (from 2.9%), in part reflecting tighter supply conditions.

The BoE has held Bank Rate at 0.1% and maintained its Quantitative Easing programme at £895 billion throughout the first half of the year. However, there are some concerns around inflation with the CPI inflation now expected to rise slightly above 4% in the last three months of 2021, due to higher energy prices and core goods inflation. Therefore although policy rates have remained unchanged there is a greater expectation that rates may increase in late 2021 or early 2022.

The US economy grew by 6.3% in Q1 2021 (Jan-Mar) and then by an even stronger 6.6% in Q2 as the recovery continued. The Federal Reserve maintained its main interest rate at between 0% and 0.25% over the period but in its most recent meeting made suggestion that monetary policy may start to be tightened soon. The European Central Bank maintained its base rate at 0%, deposit rate at -0.5%, and asset purchase scheme at €1.85 trillion.

Declines in bond yields in the first quarter of the financial year suggested bond markets were expecting any general price increases to be less severe, or more transitory, than was previously thought. However, an increase in gas prices in the UK and EU, supply shortages and a dearth of HGV and lorry drivers with companies willing to pay more to secure their services, has caused problems for a range of industries and, in some instance, will likely lead to higher prices.

The 5-year UK benchmark gilt yield began the financial year at 0.36% before declining to 0.33% by the end of June 2021 and then climbing to 0.64% on 30th September. Over the same period the 10 year gilt yield fell from 0.80% to 0.71% before rising to 1.03% and the 20-year yield declined from 1.31% to 1.21% and then increased to 1.37%.

The Sterling Overnight Rate (SONIA) averaged 0.05% over the quarter. SONIA is calculated by the Bank of England based on actual transactions reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors.

The table below shows the latest forecast for interest rates from Arlingclose:

Period	Bank Rate	3 month money market	20-year Gilt Rate
Q4 2021	0.10	0.10	1.40
Q1 2022	0.10	0.15	1.40
Q2 2022	0.25	0.35	1.40
Q3 2022	0.25	0.40	1.40
Q4 2022	0.25	0.45	1.35
Q1 2023	0.50	0.60	1.35
Q2 2023	0.50	0.65	1.30
Q3 2023	0.50	0.65	1.30
Q4 2023	0.50	0.60	1.30
Q1 2024	0.50	0.60	1.30
Q2 2024	0.50	0.60	1.30
Q3 2024	0.50	0.60	1.30

Treasury Management position and Policy

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

	Balance 31/3/21
	£m
Capital Finance Requirement	13.377
Less other debt liabilities	(13.377)
Borrowing Requirement	0.000
External borrowing	2.000

The table above shows that the level of loans was above the borrowing requirement. This is the result of the Authority adopting a policy of setting aside additional Minimum Revenue Provision (MRP) in order to generate the cash to repay loans either on maturity or as an early repayment. This has resulted in the CFR being reduced but due to early repayment charges it has not been financially beneficial to repay the existing loans.

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

Borrowing

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

The long term debt outstanding of £2m is from the Public Works Loan Board. The table below show the maturity profile of the Authority's borrowings, along with an interest rate paid.

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

Consideration is given to the early repayment of the loans. However, these would be subject to an early repayment (premium) charge. It is not considered to be financially beneficial to repay the loans with the estimated premium charge to repay the three loans being £1.180m.

Whilst we have no need to borrow at the present time it is worth highlighting that a key source for long term borrowing is the PWLB. The PWLB lending is offered at a fixed rate of 1% above the gilt yields. For most authorities which qualify for the certainty rate, including the Lancashire Combined Fire Authority, this means a 0.2% reduction on these standard rates so equates to 0.80% above the gilt yields.

Current PWLB maturity loan rates are at extremely low levels:

10 years	1.81%
25 years	2.19%
40 years	2.06%

Investments

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

The Authority principally invests in a call account provided by Lancashire County Council which pays the base rate. Each working day the balance on the Authority's Current Account is invested in this to ensure that interest is received on surplus balances within an acceptable risk framework. During the period all new investments were placed with the County Council via this arrangement. At 30th September there was a balance of £31.900m invested in LCC while the average for the period was £26.115m.

In addition, in order to increase the rate earned on current balances, the authority have placed fixed investments with other local authorities. To attract a higher rate of interest than is available on the call account these investments will need to be fixed for a longer period of time. During the year the following investments have been in place:

Start date	End date	Principal £m	rate	Annual interest	Interest in 2021/22
20/04/2020	20/04/2022	5.000	1.45%	£72,500	£72,500
24/04/2020	25/04/2022	5.000	1.45%	£72,500	£72,500
10/12/2019	10/06/2021	5.000	1.20%	£60,000	£11,507

At 30 September there was £10m fixed term investment in place, therefore the total investment held at 30 September is £41.900m. The overall the rate of interest earned during this period was 0.51% which compares favourably with the benchmark 7 day index which averages 0.14% over the same period.

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

Current interest rates available for lending to other Local Authorities are:-

Period	Interest rate	Return per annum on £5m investment
Base rate	0.10%	£5.0k
6 months	0.10%	£5.0k
1 year	0.25%	£12.5k
2 year	0.70%	£35.0k
3 year	0.80%	£40.0k

Prudential Indicators

In order to control and monitor the Authority's treasury management functions, a number of prudential indicators are determined against which performance may be measured. The indicators for 2021/22 were approved by the Authority on 22 February 2021 are shown in the table over the page alongside the current actual.

	2021/212 PIs	**Actual at 30/9/21**
Adoption of the CIPFA Code of Practice for Treasury Management	Adopted	Adopted
Authorised limit for external debt	£m	£m
A prudent estimate of total external debt, which does not reflect the worst case scenario, but allows sufficient headroom for unusual cash movements		
Borrowing	6.000	2.000
Other long-term liabilities	30.000	12.696
Total	36.000	14.696
	2021/212 PIs	**Actual at 30/9/21**
Operational boundary for external debt		
A prudent estimate of debt, but no provision for unusual cash movements. It represents the estimated maximum external debt arising as a consequence of the Authority's current plans		
Borrowing	3.000	2.000
Other long-term liabilities	17.000	12.696
Total	20.000	14.696
Upper limit for fixed interest rate exposure		
Borrowing	100%	100%
Investments	100%	23.9%
Upper limit for variable rate exposure		
Borrowing	25%	0%
Investments	100%	76.1%
Upper limit for total principal sums invested for over 364 days (per maturity date)	25.000	10.000
Maturity structure of loan debt	**Upper/ Lower Limits**	**Actual %**
Under 12 months	100% / nil	0%
12 months and within 24 months	50% / nil	0%
24 months and within 5 years	50% / nil	0%
5 years and within 10 years	50% / nil	0%
10 years and above	100% / nil	100%

Revenue Budget Implications

The 2021/22 revenue budget for treasury management activity showed that anticipated income exceeded expenditure by £36k. Taking into account the activity for the first six months of the year and estimated cash-flow for the remainder of the year the latest forecast is shown below:

	Budget	Forecast	Variation
	£m	£m	£m
Interest Payable	0.090	0.090	-
Minimum revenue provision	0.010	0.010	-
Interest receivable	(0.136)	(0.193)	(0.057)
Net budget	**(0.036)**	**(0.093)**	**(0.057)**

The interest receivable is above budget as the balances are slightly higher than anticipated when setting the budget. The forecast assumes interest rates remain constant for the remainder of the financial year.

Financial Implications

Included within report above

Human Resource Implications

None

Equality and Diversity Implications

None

Business Risk Implications

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

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

Environmental Impact

None

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

Table 2 Details of any background papers

Paper:	Treasury Management Strategy 2021/22
Date:	February 2021
Contact:	Keith Mattinson, Director of Corporate Services
Reason for inclusion in Part 2 if appropriate:	

LANCASHIRE COMBINED FIRE AUTHORITY
RESOURCES COMMITTEE
Meeting to be held on 1 December 2021

LFRS PEOPLE STRATEGY - 2021-2024
(Appendix 1 refers)

Contact for further information:
Bob Warren, Director of People & Development – 01772 866804

Table 1Executive Summary and Recommendations

Executive Summary

Attached as Appendix 1 is the People Strategy for LFRS for the period 2021-2024.

Recommendation(s)

The Resources Committee is asked to endorse the report.

Information

The People Strategy document provides the basis and thrust for our people activity. The delivery of the strategy is by separate plans and initiatives that are identified in section 6. These plans are live documents, especially as they will have to be changed to reflect alterations in the detailed circumstances or as a result of new issues arising, to enable the Service to respond effectively within the parameters of the People Strategy.

Business Risk

The Fire Authority's mission to make Lancashire safer, requires the provision of appropriately skilled staff in the numbers required. This strategy enables the HR inputs to be relevant to the delivery of our services and legislative requirements

Environmental Impact

The nature of the evolving incidents we encounter due to climate change response could result in an impact, but this will be reflected in separate policy changes.

Equality and Diversity Implications

The Authority includes EDI considerations in developing its future strategies and plans

HR Implications

This is the overarching document with a suite of underpinning documents informing and guiding the Combined Fire Authority's Human resource plans.

Financial Implications

None directly from this report. The cost of employing individuals is a significant element in the overall provision of our services. Efficient and effective activity in this area minimises the impact on the overall cost envelope.

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

Table 2 Details of any background papers

Paper:	
Date:	
Contact:	
Reason for inclusion in Part 2 if appropriate:	

Appendix 1

People Strategy

2021 - 2024

1. Purpose

The People Strategy sets out the strategic direction for our people over the next three years. It sets out the areas of priority that are required to ensure we develop a Service that is capable of continuous improvement and which responds positively to change. It seeks to recruit and deliver a workforce which is resilient, highly skilled, flexible, diverse and which can deliver the Service's aim of keeping the people of Lancashire safer.

2. Where are we now

The Service recognises that it is operating at a time of change, the nature of emergencies is changing and there is a need to respond effectively to those emergencies whether they be flooding, moorland fires, changes to the built environment, a pandemic, or a terrorist attack.

The implementation of pension changes with the potential to increase turnover, a changing legislative framework in relation to Protection and the need to respond proactively to implement the positive outcomes from the pandemic in terms of innovation and hybrid working, creates challenges and opportunities.

Our workforce is becoming more diverse, but we recognise we have more to do, and we will continue to use positive action to support the delivery of our recruitment strategy in relation to On Call firefighters and Wholetime firefighters and create flexible recruitment pathways into specialist departments such as Protection to fulfil the projected labour gaps in our Workforce Plan. We recognise that recruiting and retaining support staff has become more competitive and we will promote LFRS as an employer of choice, in terms of our brand, the availability of hybrid and flexible working arrangements and apply market supplements where appropriate. We continue to identify opportunities to recruit and develop skilled and staff who can innovate through apprenticeship opportunities.

We also understand that our leaders need to be able to operate as a broader public sector partner, capable of identifying future talent, engaging, and supporting their members of staff to reach their full potential.

To respond positively at a time of change, we have worked hard to embed our values, actively engaging with our employees, and we will continue undertaking proactive consultation with our Trade Unions and our staff, ensuring they are fully informed, and their feedback is used to develop our future plans.

3. The Service values and ethics

Our current operating environment requires an organisational culture, mind-set and behaviours that reflect our aims and a workforce capable of responding to the challenges ahead. The way we work to achieve our priorities is as important as what we do, and our Service values **(STRIVE)** reflects the behaviour we expect from our staff.

Our values

- Service: Making Lancashire safer is the most important thing we do.
- Trust: We trust the people we work with.
- Respect: We respect each other.
- Integrity: We do what we say we will do.
- Valued: We actively listen to others.

- Empowered: We contribute to decisions and improvements.

4. Code of Ethics

Our Service values are supported by the new national Core Code of Ethics for Fire and Rescue Services in England. The Core Code sets out five ethical principles, which provide a basis for promoting good behaviour and challenging inappropriate behaviour.

- Putting our communities first - we put the interest of the public, the community and service users first.
- Integrity - we act with integrity including being open, honest, and consistent in everything we do.
- Dignity and respect - making decisions objectively based on evidence, without discrimination or bias.
- Leadership - we are all positive role models, always demonstrating flexibility and resilient leadership. We are all accountable for everything we do and challenge all behaviour that falls short of the highest standards.
- Equality, diversity, and inclusion (EDI) - We continually recognise and promote the value of EDI both within Lancashire Fire and Rescue and the wider communities in which we serve. We stand against all forms of discrimination, create equal opportunities, promote equality, foster good relations, and celebrate difference.

We require all our employees and everyone in Lancashire Fire and Rescue Service to behave in accordance with the Service values and to follow the Core Code, including those working with or on behalf of FRSs.

5. Where do we want to be

- An organisation which is seen as an employer of choice and the Service is recognised as a place where staff are developed and supported to achieve their full potential.
- An organisation which has a shared understanding across the Service in relation to the value of diversity, and the behaviours, skills and attributes required for a modern firefighter.
- A workforce which is diverse, fit and capable of readily identifying risk and proactively meets the needs of the communities of Lancashire.
- A firefighter workforce which meets the Services emergency response requirements in terms of being highly skilled, capable of responding to different types of emergencies safely and who can deliver at times of business continuity.
- Members of staff who consistently demonstrate the behaviours in the Code of Ethics, the behaviours which underpin STRIVE and who feel confident to challenge others.
- A high-quality training provider including for firefighter apprenticeships.
- Leaders who demonstrate the behaviours within the LFRS Values, the Leadership Framework, and the Code of Ethics and who understand coaching, and who use this as a preferred leadership style, who are comfortable in challenging poor performance and who can give feedback in a developmental way.
- Leaders who can recognise talent, who provide stretch and challenge, fostering a growth mindset and who support their teams to fulfil their potential.
- Services which use business information to shape their direction of travel and which meet regulatory requirements.

6. LFRS Strategic People priorities: -

- We will continue to embed the Service values, behaviours, and the Code of Ethics making LFRS a place where everyone feels valued and included.
- We will continue to promote LFRS an employer of choice and we will recruit a workforce which is diverse, and which meets the needs of the people of Lancashire.
- We will continue to develop the capability and resilience of leaders who can energise their teams, who encourage flexibility, innovation and who promote continuous improvement.
- We will continue to embed talent management and succession planning shaping the workforce to meet Service needs and which support individuals to achieve their full potential.
- We will continue to promote a resilient and healthy workforce.
- We will continue to actively engage with our workforce responding to feedback and involving staff in the shaping of our plans and decision making.

Delivery of the People Strategy is achieved through the following delivery plans:

- Organisational Development Plan
- Training Plan
- Equality Action Plan
- Workforce Plan
- Health, Safety and Wellbeing Plan

6.1 Continue to embed the Service values, behaviours, and the Code of Ethics making LFRS a place where everyone feels valued and included.

- Deliver development sessions starting on Stations launching the Code of Ethics, explaining the behaviours expected from members of staff, the skills and attributes of a modern firefighter.
- Educate members of staff on the value of diversity in terms of meeting the needs of the people of Lancashire and the difference between positive action and positive discrimination.
- Ensure all those in an operational leadership role have attended "How to have a difficult conversation" and have attended recent training in performance management.
- Update the Equality Diversity and Inclusion (EDI) Policy to support the education of the workforce in EDI issues.
- Update the Equality, Diversity, and Inclusion Training module and Corporate Induction informing staff on the Code of Ethics and their personal responsibility in terms of role modelling appropriate behaviour and challenging behaviour which is inappropriate.
- Ensure all those involved in recruitment and selection have attended recent training ensuring there is a share understanding of the required skills and attributes for those who join the Service.
- Deliver equality impact assessment training, establish monitoring and performance reporting arrangements to EDI Steering Group ensuring we fully consider the impact of our policy development and decision making.
- Establish upward mentoring for senior managers in relation to equality, diversity, and inclusion through access to the employee voice groups.

6.2 Continue to promote LFRS an employer of choice recruiting a workforce which is diverse, and which meets the needs of the people of Lancashire.

- Using our strong brand, we will create an inspiring and motivating employer brand, harnessing social media platforms to attract diverse new talent to either start or further enhance their careers
- Where appropriate, we will use, incentives including market supplements to attract the best talent enabling us to effectively recruit in competitive skills sectors.
- Actively profile the diversity of our applicants to ensure we continue to be an inclusive employer and our workforce is reflective of our community.
- Deliver a five-year recruitment plan for Wholetime and On-Call firefighters supported by a programme of positive action recruiting a workforce which is diverse, and which can deliver our aims.
- Evaluate the effectiveness of the On-Call Support Officer role, specifically in relation to recruitment of On-Call firefighters.

6.3 Continue to develop the capability and resilience of leaders who can energise their teams, who encourage flexibility, innovation and who promote continuous improvement.

- Invest in key skills development to ensure our leadership team provides strong, ethical, and inspirational leadership inspiring their teams to achieve their potential.
- Build within our recruitment and promotion processes the Leadership Framework, the Code of Ethics and the Service values, ensuring that the most suitable leaders are recruited and appointed.
- Refresh the Coaching and Mentoring Policy and ensure that all those in a leadership role attend a coaching and mentoring development day.
- Make Coaching and Mentoring available to members of staff.
- Ensure all new middle managers have access to a mentor and mentors attend the development day for mentors.
- Deliver leadership development events to middle managers on the importance of positive emotions at work and the value of growth mindset
- Promote accessibility of access to Grey and Green book staff to leadership qualifications.
- Consider the leadership development needs of those in a leadership role within On Call Service.
- Monitor the work of the National Fire Chiefs Council, exploring the opportunities for direct entry into the Fire Service and middle and strategic management level.

6.4 Continue to embed talent management and succession planning, shaping the workforce to meet Service needs and which support individuals to achieve their full potential.

- Deliver development sessions to staff and line managers on the value of talent management, the importance of providing stretch and challenge and supporting individuals to achieve their full potential.
- Use our appraisal processes and create a culture of crucial conversations with our employees to understand their career aspirations, both in and outside of LFRS.
- Review the promotion pathways and talent management to ensure the Service can harness talent and allow individuals to progress based on their ability.

- Embed the behaviours contained within the Leadership Framework ensuring inclusive leaders who coach, give developmental feedback, and can support the Service to change and improve.
- Embed the Performance Management arrangements ensuring poor performance and behaviour contrary to our values and the Code of Ethics is challenged. In addition, ensuring a focus on compulsory training, fitness, and progression.

6.5 Continue to promote a resilient and healthy workforce, actively engaging and responding to feedback.

- Through the Ageing Workforce Task and Finish Group undertake a gap analysis in terms of age awareness.
- Actively promote improving personal resilience and commitment to workplace wellbeing programmes.
- Promote fitness amongst green book staff, promoting health and nutrition.
- Deliver and broaden the workplace wellbeing toolbox talks which promoting a holistic approach to health and wellbeing.
- Deliver an education campaign in terms of promoting strength and conditioning supporting MSK Injury Prevention.
- Respond to any emergency requirements and any learning from the Covid-19 pandemic.

6.6 Continue to actively engage with our workforce, responding to feedback and involving staff in the development of our plans and decision making.

- Meet regularly with Trade Union representatives, actively engaging them in the development of future plans.
- Regularly consult with our employee voice groups and other staff representative groups via the staff survey and other forms of consultation to obtain feedback, ensuring negative impact is identified and more informed policy and decision making.
- Ensure a programme of ongoing watch, station and teams visits to actively engage with staff across the service and allow their voice to be heard.
- Seek to increase the use of technology to ensure leaders are accessible.
- Through our communications team, deliver a broad range of communications to ensure staff are kept informed and up to date.

LANCASHIRE COMBINED FIRE AUTHORITY
RESOURCES COMMITTEE
Meeting to be held on 1 December 2021

WELLBEING AND WELLNESS INITIATIVES

Contact for further information:
Bob Warren, Director of People & Development – 01772 866804

Table 1Executive Summary and Recommendations

Executive Summary

A presentation will be made in respect of the various opportunities that Lancashire Fire & Rescue Service has enabled to address the Wellbeing and Wellness agenda. The presentation is to provide information to raise awareness amongst the Authority of the options available in respect of this topical area.

Recommendation(s)

No decision is required. The Resources Committee is asked to note the comprehensive nature of interventions available to assist staff.

Information

The presentation follows a session with Councillor Kay, in her role as member champion for Health and Well Being. Following this discussion, it was thought beneficial to advise the Authority of the provision the Service provides. This will complement a presentation on the utilisation of dogs within the Service including wellbeing canines which is planned for the Combined Fire Authority on 13 December 2021.

Business Risk

The provision of these interventions assists in addressing any unfortunate outcomes from our activities and internally provides some reassurance to our employees.

Environmental Impact

None

Equality and Diversity Implications

Considered within provision of individual initiatives.

HR Implications

The purpose of these interventions is to minimise any negative consequences as a result of the Service activities and provide support to enable recovery from primarily traumatic events but also to support life events.

Financial Implications

This is an informative piece any financial impacts are including in existing budget provision

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

Table 2 Details of any background papers

Paper:	
Date:	
Contact:	
Reason for inclusion in Part 2 if appropriate:	

By virtue of paragraph(s) 4, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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

Agenda Item 12

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Agenda Item 13

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

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