Lancashire Combined Fire Authority

Monday, 20 February 2023 at 10.00 am in Washington Hall, Service Training Centre, Euxton

Minutes

Present:

D O'Toole (Chair)

Councillors

J Shedwick (Vice-Chair)
S Clarke
M Dad
N Hennessy
D Howarth
J Hugo
T Hurn
F Jackson
A Kay
H Khan
Z Khan
J Mein
S Morris
M Pattison
J Rigby
P Rigby
S Rigby
R Scott
S Serridge
J Singleton
D Smith
R Woollam
B Yates

60/22	**Chairman's Welcome and Introduction**
	On behalf of the Authority, the Chairman acknowledged the bravery and commitment of Lancashire Firefighters who were amongst those deployed to Turkey as part of the UKs International Search and Rescue Team following the recent earthquakes in Southern Turkey and neighbouring Syria. The Chief Fire Officer added that 77 firefighters from across the UK went to Turkey (including 4 dogs) who were deployed really quickly; with 6 of the Firefighters and 2 dogs from Lancashire. The dogs had been crucial to scent live casualties and the team effected successful rescues. A presentation would be given at a future Authority meeting. The Chairman presented the Director of Corporate Services / Treasurer to the Authority, Mr Keith Mattinson with a clock in recognition of his long service, dedication and hard work. The Authority applauded Mr Mattinson and extended their best wishes to him for the future. In response to a question regarding succession planning from Councillor Hugo, the Chief Fire Officer advised that Members were involved in running the recruitment process last year and Mr Steven Brown would be starting in the role at the end of the month. The Chairman welcomed Councillor Rick Scott who had replaced Councillor Tony Williams on the Authority from Blackpool Council. Following Councillor Williams' departure from the Authority, the Chairman proposed County

	Councillor Stephen Rigby be appointed as Chairman of Resources Committee. **Resolved:** That County Councillor Stephen Rigby be appointed as Chairman of Resources Committee
61/22	**Apologies for Absence**
	Apologies were received from County Councillor Beavers.
62/22	**Disclosure of Pecuniary and non-Pecuniary Interests**
	None received.
63/22	**Minutes of Previous Meeting**
	Resolved: - That the Minutes of the CFA held on 19 December 2022 be confirmed and signed by the Chairman.
64/22	**Minutes of meeting Tuesday, 29 November 2022 of Audit Committee**
	Resolved: That the proceedings of the Audit Committee held on 29 November 2022 be noted and endorsed.
65/22	**Minutes of meeting Wednesday, 30 November 2022 of Resources Committee**
	Resolved: That the proceedings of the Resources Committee held on 30 November 2022 be noted and endorsed.
66/22	**Minutes of meeting Wednesday, 14 December 2022 of Performance Committee**
	In response to a question from the Chairman of the Authority regarding long-term sickness absence (referred to on page 55 of the agenda pack) the Head of HR advised that there were robust processes in place to manage absence whereby HR Business Partners and managers worked together to review and support people who were unwell. Absence was reviewed timely with early referral to occupational health as appropriate and staff were encouraged to access the Employer Assistance Programme. It was noted that long-term absence was being influenced by difficulties accessing NHS appointments and delays for treatment. **Resolved:** That the proceedings of the Performance Committee held on 14 December 2022 be noted and endorsed.
67/22	**Minutes of meeting Monday, 6 February 2023 of Planning Committee**
	The Chairman of the Committee, CC Clarke drew Members attention to the following:

	- **Automatic Fire Alarm Attendance Policy** The Committee had analysed 9-months of data which demonstrated significant reductions in the number of Automatic Fire Alarm attendances and endorsed the Service continue with the roll out of the revised policy across the full 24-hour period; - The Committee endorsed the Service re-define its ‘risk based’ inspection programme, to take into consideration national best practice. Performance requirements would then be more realistic and achievable and would free up much needed capacity; - The Authority Chairman had proposed to re-establish a Task and Finish Working Group established some years ago to provide Member engagement in the potential relocation of Service Headquarters. It was now proposed that a reconstituted Task and Finish Working Group would support both the potential relocation of Service Headquarters and the redevelopment of Preston Fire Station. **Resolved:** That the proceedings of the Planning Committee held on 6 February 2023 be noted and endorsed.
68/22	**Pay Policy Statement 2023/24**
	The Head of Human Resources presented the report. In accordance with the provisions of the Localism Act 2011 a pay policy statement for 2023/24 was considered by Members. The pay policy published data on senior salaries and the structure of the workforce and it demonstrated the principles of transparency. The pay policy statement set out the Authority’s policies for the financial year relating to: - - The remuneration of its chief officers; - The remuneration of its lowest paid employees; - The relationship between the remuneration of its chief officers and that of other employees who were not chief officers. The statement included: - - The level and elements of remuneration for each chief officer; - Remuneration range for chief officers on recruitment; - Methodology for increases and additions to remuneration for each chief officer; - The use of performance-related pay for chief officers; - The use of bonuses for chief officers; - The approach to the payment of chief officers on their ceasing to hold office under, or be employed by, the authority, and - The publication of and access to information relating to the remuneration of chief officers.

	It also included the Authority's policies for the financial year relating to other terms and conditions applying to its chief officers. In response to a question raised by the Chairman regarding whether the Service had re-engaged any firefighters after retirement (as referred to on page 106 of the agenda pack) the Head of HR advised that there were no staff at a senior level who had been re-engaged. Some firefighters were interested in returning (to use an essential skill such as appliance driver) but not fully in an operational role. In response to a further question raised by the Chairman regarding how re-engagement would impact on an individual's pension, the Head of HR confirmed that there were rules around abatement. Should an individual earn over a certain amount of money there would be a tax charge imposed therefore the Service recommended individuals seek independent advice prior to re-engagement; following that it was usual to return either part-time or into a lower grade. **Resolved:** - That the Pay Policy Statement be approved.
69/22	**Treasury Management Strategy 2023/24**
	The Director of Corporate Services / Treasurer advised that the following 4 items on the agenda were linked, with changes in one impacting on the others: i) the Treasury Management Strategy set out investment, borrowing, repayment and how money was set aside to repay borrowing, ii) the Reserves and Balances Policy set out savings and how they were planned to be used over the next 5 years; iii) the Capital Strategy and Budget set out major expenditure for investment within the Service and iv) the Revenue Budget was for the day to day running of the Service. The Director of Corporate Services / Treasurer presented the report that set out the Treasury Management Policy and Strategy for 2023/24. **Treasury Management Strategy for 2023/24** The Strategy Statement had been prepared in accordance with the CIPFA Treasury Management Code of Practice. Accordingly, the Lancashire Combined Fire Authority's Treasury Management Strategy would be approved by the full Authority, and there would also be a mid-year and a year-end outturn report presented to the Resources Committee. In addition, there would be monitoring and review reports to Members in the event of any changes to Treasury Management policies or practices. The aim of these reporting arrangements was to ensure that those with ultimate responsibility for the treasury management function appreciated fully the implications of treasury management policies and activities, and that those implementing policies and executing transactions had properly fulfilled their responsibilities with regard to delegation and reporting. The Authority had adopted reporting arrangements in accordance with the requirements of the Code as set out in the report.

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

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

Setting the Treasury Management Strategy for 2023/24

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

Economic background

Key factors to consider when assessing the impact on the Strategy were the expectation for economic growth, inflation and the possible impact on interest rates. CPI inflation was expected to have peaked in the last calendar quarter of 2022 and then fall from early in 2023 partly as a result of previous increases in energy prices dropped out of the annual comparison. The Bank of England forecast that inflation would fall sharply and be below the 2% target, in two years' time and to fall further below the target in three years' time.

Arlingclose Forecast

The Bank of England increased Bank Rate by 0.5% to 3.5% in December 2022. This followed a 0.75% rise in November which was the largest single rate hike since 1989 and the ninth successive rise since December 2021.

The Authority's treasury management adviser Arlingclose in its latest forecast estimated that Bank Rate would continue to rise in 2023 as the Bank of England attempted to subdue inflation which was significantly above its 2% target. The expectation was that there would be further interest rate rises over the forecast horizon despite looming recession. Bank Rate was forecast to rise to 4.25% by June 2023. (Subsequent to the forecast being produced the base rate was increased to 4% in February 2023.)

Details of the latest forecast interest rates were shown in the report.

Current Treasury Portfolio Position

At the 31 December 2022 the debt and investments balances were: -

Debt	Principal £m	%
Fixed rate loans from the Public Works Loan Board	2.000	100
Variable rate loans		-
	2.000	100
Investments		
Variable rate investments with Lancashire County Council	20.730	58
Fixed rate investments	15.000	42
	35.730	100

The level of investment represented the Authority's cumulative surplus on the General Fund, the balances on other cash-backed earmarked reserves and a cash-flow balance generated by a surplus of creditors over debtors and by grant receipts in advance of payments. There was a net investment figure of £34m.

Borrowing and Investment Requirement

In the medium term the Authority borrowed for capital purposes only. The underlying need to borrow for capital purposes was measured by the Capital Financing Requirement (CFR), while usable reserves and working capital were the underlying resources available for investment.

The CFR forecast included the impact of the latest forecast of the funding of the Capital Programme which currently assumed there would be no borrowing until 2026/27. A voluntary MRP was made in 2019/20 to take the future loans element of the MRP to nil.

CIPFA's Prudential Code for Capital Finance in Local Authorities recommended that the Authority's total debt should be lower than its highest forecast CFR over the next three years. However, the table in the report showed that the level of loans was above the CFR at 31/3/22. This was the result of the Authority adopting a policy of setting aside additional Minimum Revenue Provision (MRP) in order to generate the cash to repay loans either on maturity or as an early repayment. The table indicated that rather than having a need for borrowing it was estimated that the Authority had an underlying need to invest although the available balances were forecast to reduce.

Although the Authority did not have plans for new borrowing until 2026/27 it currently held £2.0m of loans as part of its strategy for funding previous years' capital programmes.

Liability Benchmark

The liability benchmark was an indicator required by the CIPFA Code. It looked to compare the Authority's actual borrowing requirements against an alternative strategy, a liability benchmark, which showed the minimum level of borrowing. This assumed the same forecasts as in the table in the previous section of the report, but that cash and investment balances were kept to a minimum level of £10m at each year-end to maintain sufficient liquidity but minimised credit risk.

In addition, it reflected the latest Capital Programme information which showed a borrowing requirement in 2026/27 and 2027/28.
The benchmark showed that from 2026/27 there was likely to be a long-term requirement to borrow but that this did not necessarily have to be at the level of the loans CFR, which represented the maximum borrowing. The borrowing requirement was also reducing over time which may influence the length and type of borrowing to be taken.

Borrowing Strategy

The draft Capital Programme implied there may be a requirement to use borrowing to fund the capital programme in the later years. At this stage it was extremely unlikely that borrowing would be required in 2023/24. However, it was still best practice to approve a borrowing strategy and a policy on borrowing in advance of need. In considering a borrowing strategy the Authority needed to make provision to borrow short term to cover unexpected cash flow shortages or to cover any change in the financing of its Capital Programme.

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

Policy on Borrowing in Advance of Need

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

Debt Restructuring

The Authority's debt had arisen as a result of prior years' capital investment decisions. It had not taken any new borrowing out since 2007 as it has been utilising cash balances to pay off debt as it matured, or when deemed appropriate with the Authority making early payment of debt. The anticipated holding of debt at 31 March 2023 was £2.0m. All the debt was from the Public Works Loans Board (PWLB) and was all at fixed rates of interest and was repayable on maturity. This debt was taken out in 2007 when the base rate was 5.75% and when the Authority was earning 5.84% return on its investments. Given the change in interest rates, the opportunities for debt repayment/restructuring had again been reviewed.

The level of penalty applicable on early repayment of loans now stood at £0.199m. Outstanding interest payable between now and maturity was £1.228m.

Any early repayment meant that cash balances available for investment would be reduced and hence interest receivable would also be reduced. The extent of which was dependent upon future interest rates. It was estimated that if interest rates on investments were at 3.43% over the remaining period of the loan, then repaying the loans now would be broadly neutral. It was also noted that the capital budget allowed for additional borrowing within the next 5 years. Current borrowing rates were 4.85% for a 2—year loan and 4.46% for a 50-year loan, both of which exceed the breakeven position noted above. Hence given the penalties it was considered beneficial to retain these loans.

Investment Strategy

At 31 December 2022 the Authority held £35.7m invested funds, representing income received in advance of expenditure plus existing balances and reserves. During the year the Authority’s investment balance had ranged between £26.7m and £46.9m. The variation arose principally due to the timing of the receipt of government grants. It was anticipated that would be reduced cash levels in the forthcoming year, due to a drawdown in reserves to finance capital expenditure.

Both the CIPFA Code and government guidance required the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority’s objective when investing money was to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk receiving unsuitably low investment income. Therefore, in line with the guidance the Treasury Management Strategy was developed to ensure the Fire Authority would only use very high-quality counterparties for investments.

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

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

The Authority currently had access to a call (instant access) account with a local authority, which paid bank base rate, this was currently 3.5%. Each working day the balance on the Authority's current account was invested to ensure that the interest received on surplus balances was maximised.

In addition, longer term loans had been placed with UK local authorities to enhance the interest earned, the Authority currently held £15m of investments with other local authorities, as set out in the report.

Consideration was given to fixing further investments if the maturity fit with estimated cash flows and the rate was considered to be attractive. This would continue to be reviewed.

The overall combined amount of interest earned on Fixed/Call balances as at 31 December 2022 was £0.5m on an average balance of £37m at an annualised rate of 1.91%. This compared favourably with the benchmark 7-day LIBID rate which averaged a yield of 1.81% over the same period. In addition, the Authority used NatWest for its operational banking. Balances retained in NatWest were very low, usually less than £5,000. However, if required monies were retained at NatWest this would be in addition to the limits set out.

Minimum Revenue Provision (MRP)

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

The Authority assessed their MRP for 2023/24 in accordance with guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003.

The Authority made a voluntary MRP in 2019/20 and it was anticipated that the MRP on loans would be nil in 2023/24; this would be the case until capital expenditure was financed by borrowing.

Whilst the Authority had no unsupported borrowing, nor had any plans to take out any unsupported borrowing in 2023/24 it was prudent to approve a policy relating to the MRP that would apply if circumstances changed. As such in accordance with guidelines, the MRP on any future unsupported borrowing would be calculated using the Asset Life Method. This would be based on a straightforward straight – line calculation to set an equal charge to revenue over the estimated life of the asset. Estimated life periods would be determined under delegated powers. However, the Authority reserved the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

Assets held under PFI contracts and finance leases formed part of the Balance Sheet. This had increased the overall capital financing requirement and resulted in an MRP charge being required. The government guidance permitted a prudent MRP to equate to the amount charged to revenue under the contract to repay the liability. In terms of the PFI schemes this charge formed part of the payment due to the PFI contractor.

Revenue Budget

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

	2022/23	2023/24	2024/25	2025/26
	£m	£m	£m	£m
Interest payable	0.090	0.090	0.090	0.090
MRP	0.010	-	-	-
Interest receivable	(0.770)	(1.300)	(1.000)	(0.650)
Net budget	(0.680)	(1.210)	(0.910)	(0.560)

Prudential Indicators for 2022/23 to 2025/26 in respect of the Combined Fire Authority's Treasury Management Activities

In accordance with its statutory duty and with the requirements of the Prudential Code for Capital Finance and the CIPFA Code for Treasury Management, the Combined Fire Authority produced each year a set of prudential indicators which regulated and controlled its treasury management activities.

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

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

Resolved: That the Authority:

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

70/22 **Reserves and Balances Policy 2023/24**

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

Review of Level of Reserves

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

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

There remained a great deal of uncertainty over long term funding, as a result, the anticipated multi-year settlement had been postponed again. The Local Government Finance Settlement only covered 2023/24, although the policy statement that accompanied it stated "The core settlement will continue in a similar manner for 2024-25. The major grants will continue as set out for 2023-24: Revenue Support Grant will continue and be uplifted in line with Baseline Funding Levels". Whilst this provided a basis for estimating future funding increases, as set out in the revenue budget paper, it did not provide any certainty.

Furthermore, the outcome of the fair funding review of relative needs and resources and the Government intention to move to greater retention of Business Rates had also been postponed.

The position in terms of pension awards had still not been resolved however, the likelihood of this being significantly higher than budgetary allowance and the likelihood of industrial action had both reduced as a result of the latest pay offer.

Whilst future pension costs remained uncertain, with authorities still awaiting definitive guidance on how to implement changes following the McCloud judgement, and with the next re-valuation of the firefighter pension scheme being due this year, the draft budget for 2024/25 already included a 3% allowance for this.

As such the Treasurer considered it prudent to reduce the minimum target reserves level to £3.75m, 5.5% of the 2023/24 net revenue budget, reflecting the level of uncertainty. It was noted that it may be possible to reduce this minimum level further if the current grey book 2-year pay offer was accepted. This was slightly higher than the 5% threshold identified by the Home Office above which the Authority was required to justify why it held the level of reserves, reflecting uncertainty about future funding, pension costs and pay awards.

Should reserves fall below this minimum level the following financial year's budget would contain options for increasing reserves back up to this level which may take several years to achieve.

Based on professional judgement, the Treasurer felt the maximum level of general reserves should be maintained at £10.0m.

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

Level of General Reserves

The overall level of the general fund balance, i.e., uncommitted reserves, anticipated at the 31 March 2023 was £4.0m, providing scope to utilise approx. £0.25m of reserves. The draft budget (as presented elsewhere on the agenda) identified a funding gap of £0.3m in 2023/24, which could be met from a combination of drawdown against this reserve and additional in-year savings. The Treasurer therefore considered this reserve was at an appropriate level.

Looking at the medium term the need to drawdown reserves would be affected by:-

- Council tax – The revenue budget assumed that council tax was increased by the maximum permissible each year, enabling the Service to deliver a balanced budget each year, after allowing for relatively low level of reserve drawdown / additional savings. If this was not the case, then there may be a need to utilise reserves in future years to balance the budget;
- Pension costs – the revenue budget assumed that the only pension costs that fell on the Service were employer contributions, and that all other costs were met by the Government via the Pension Holding Account. If this was not the case, then reserves would be required to meet these one-off costs which would be very significant. Furthermore, it assumed that the employer contribution rate would increase by 3% following the next tri-annual re-valuation exercise., but at the present time no details were available, hence contribution rates could increase by a greater amount;
- Future funding - The revenue budget assumed future funding increased by 5% in 2024/25 followed by 2% increases thereafter. If that was not the case and it was frozen as part of the next multi-year settlement, this would reduce funding levels by £0.6m each year, a cumulative reduction of £1.9m over the medium-term financial strategy, and this would impact on the need to drawdown reserves;
- Future inflation - The revenue budget assumed future pay awards at 5% in 2023/24 before returning to the Government's 2% target. If this was not the

case each 1% more than this increased the recurring budget requirement by £0.4m, i.e. £2.9m over the next 5 years, which may impact on the usage of reserves.

At the present time, the Medium-Term Financial Strategy (MTFS) identified funding gaps in the next 4 years. Assuming 50% of these were met by additional in-year savings with the balances being drawdown form this reserve, the Authority would potentially see this reserve falling to £3.2m by March 2027. This was below the current minimum requirement. However, the forecasts were subject to a number of variable factors, as set out in the report, and these would continue to be reviewed to refine forecasts and ensure that reserves remained above the minimum threshold throughout the duration of the MTFS.

Earmarked Reserves

The earmarked reserves forecast at 31 March 2023 was £2.6m and a breakdown of these alongside the forecast anticipated position at 31 March 2028 was considered by Members.

The Director of Corporate Services highlighted earmarked reserves held for:

- Page 135 - Insurance Aggregate Stop Loss reserve which related to both the Authority's combined liability insurance policy and its motor policy.;
- Page 136 – Innovation Fund which detailed money set aside to meet costs arising from new initiatives / developments with improved service delivery or firefighter safety.

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

PFI Reserve

At 31 March 2023 the Authority anticipated holding £4.9m of PFI reserve. The reduction of this reserve in subsequent years reflected its drawdown to offset future charges, with the reserve reducing to £3.7m by March 2028. Assuming the retail price index returned to 3% in future years the whole of this reserve was contractually committed over the next 20 years. Based on this the Treasurer believed that was adequate to meet future requirements.

Capital Reserves and Receipts

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

Capital Receipts were generated from the sale of surplus assets which had not yet been utilised to fund the capital programme.

At 31 March 2023 the Authority anticipated holding £20.3m of capital reserves and receipts. Based on the capital programme presented elsewhere on this agenda it was anticipated fully utilising these by 31 March 2027. Of the total reserve £5.0m was contractually committed.

Based on this the Treasurer believed these were adequate to meet future requirements in the short to medium term but recognised that they would be exhausted in March 2025.

Summary Reserve Position

The anticipated position in terms of reserves and balances was set out in a graph on page 139 of the agenda pack with a detailed year on year analysis by reserve set out in appendix 1, as now considered by Members.

The level of reserves reduced by over £20m over the next 3 financial years reflecting the scale of the capital programme. The position would be subject to significant change as pension costs, funding, inflation, pay awards etc became clearer in future years. The annual refresh of this policy would identify the impact of any changes as they developed.

Provisions

In addition, the Authority had two provisions to meet future estimated liabilities: -

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

This provision stood at £0.6m at 31 March 2022. Given the uncertainty in terms of future insurance claims it had been assumed that the provision would be maintained at this level throughout the 5-year period. There were no existing legal obligations associated with this provision, as the legal obligation only arose when settlement of outstanding claims was agreed.

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

At 31 March 2022 this provision stood at £0.9m to cover anticipated costs of outstanding business rates appeals. Whilst a significant element of this would be utilised in the current financial year, reflecting the settlement of outstanding

	appeals, it was impossible to accurately predict the extent of this usage or the need for any additional provision to meet appeals that arose in year, until such time as a full review was undertaken by billing authorities as part of the financial year end process. Therefore, for the purpose of this report it had been assumed that the level of business rates appeals provision remained unchanged. Until the outcome of any appeal was known there was no legal obligation arising from the appeal. The Treasurer felt that the levels of provisions were sufficient to meet future requirements in the medium term. In response to a question raised by CC Mein, the Director of Corporate Services confirmed that the Authority's share of outstanding appeals against business rates collection funds was 1%. This was calculated nationally each year with the Authority's share being set nationally at 1% of each billing authorities estimate. In response to a question from CC S Singleton the Director of Corporate Services confirmed that the reduction in the innovation budget reflected the estimated use of that fund over the period 2023-28. **Resolved:** The Authority approved the policy and noted the Treasurer's advice on the level of reserves included within it.
71/22	**Capital Strategy and Budget 2023/24 - 2027/28**
	The Director of Corporate Services / Treasurer presented the report. The Authority's capital strategy was designed to ensure that the Authority's capital investment: • assisted in delivering the corporate objectives; • provided the framework for capital funding and expenditure decisions, ensuring that capital investment was in line with priorities identified in asset management plans; • ensured statutory requirements were met, i.e. Health and Safety issues; • supported the Medium-Term Financial Strategy by ensuring all capital investment decisions considered the future impact on revenue budgets; • demonstrated value for money in ensuring the Authority's assets were enhanced/preserved; • described the sources of capital funding available for the medium term and how these might be used to achieve a prudent and sustainable capital programme. **Managing capital expenditure** The Capital Programme was prepared annually through the budget setting process and was reported to the Authority for approval each February. The programme set out the capital projects taking place in the financial years 2023/24 to 2027/28 and would be updated in May to reflect the effects of the final level of slippage from the current financial year (2022/23).

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

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

Proposed Capital Budget

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

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

Vehicles

The Fleet Asset Management plan had been used as a basis to identify the following vehicle replacement programme, which was based on current approved lives:-

	No of Vehicles				
Type of Vehicle	2023/24	2024/25	2025/26	2026/27	2027/28
Pumping Appliance	13	-	3	6	11
Climate Change Vehicle	2	-	-	-	-
Command Unit	3	-	-	-	-
Water Tower	2	-	-	-	-
Aerial appliance	1	-	-	-	-
All-Terrain Vehicle	1	-	-	-	-
Prime mover	2	-	-	-	-
Pod	3	-	-	-	1
Operational Support Vehicles	37	20	12	16	18
	64	20	15	22	30
	Budget (£m)				
Pumping Appliance	1.930	-	0.660	1.320	2.420
Climate Change Vehicle	0.500	-	-	-	-

Command Unit	0.715	-	-	-	-
Water Tower	1.027	-	-	-	-
Aerial appliance	0.534	-	-	-	-
All-Terrain Vehicle	0.018	-	-	-	-
Prime mover	0.260	-	-	-	-
Pod	0.083	-	-	-	0.030
Operational Support Vehicles	1.030	0.678	0.315	0.512	0.584
	6.097	0.678	0.975	1.832	3.034

It was noted that several of the vehicles shown in 2023/24 had already been ordered and were subject to phased payment, hence the cost shown was the element which is due in 2023/24. Numbers were based on the order date. Several of the vehicles had long lead times, and stage payments, hence the actual timing of spend was subject to change, with any deliveries spanning across years inevitably resulting in the need to move spend between years, usually this would be in the form of slippage into subsequent years, but occasionally there would be a need to pull budget forward to reflect an earlier delivery/stage completion date. This would be reported to Resources Committee as delivery dates are agreed.

All vehicles were replacements for existing vehicles although, in the case of the Water Towers and Climate Change vehicles, these were in lieu of standard pumping appliances.

Operational Equipment

With the exception of Body Armour, all requirements were replacements for existing end of life equipment. Each of these groups of assets was subject to review prior to replacement, which may result in a change of requirements or the asset life.

	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m
Replacement of Existing Equipment					
Thermal Imaging Cameras	0.325	-	-	-	-
Breathing Apparatus (BA) and Telemetry equipment	-	-	1.000	0.900	0.320
Cutting and extrication equipment	0.750	0.750	-	-	-
Disposable Gas Tight suits		0.042			
New Equipment					
Body Armour	0.250				
	1.325	0.792	1.000	0.900	0.320

It was noted that the replacement Breathing Apparatus project was in its early stages. Until such time as actual requirements in terms of type, numbers, telemetry and communications were known, it was not possible to produce a more accurate cost or timing projection, however some phasing of the implementation was anticipated, hence costs are spread over 3 years. This may change as the project progressed. Body armour requirements were subject to a trial and hence requirements may change following its outcome.

ICT

The spend was on replacement/upgraded systems. All replacements identified in the programme would be subject to review, with both the requirement for the potential upgrade/replacement and the cost of such being revisited prior to any expenditure being incurred.

	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m
Replace Existing Systems					
Pooled PPE system	-	0.100	-	-	-
Stock Management system	-	0.100	-	-	-
Asset Management system	0.100	-	-	-	-
HFSC referral system	0.100	-	-	-	-
Fire Risk Management System	0.100	-	-	-	-
Rota management package (WT/On call)	-	0.100	-	-	-
Storage Area Network	-	0.200	0.090	-	-
GIS Risk Info	-	0.100	-	-	-
WAN	-	-	0.450	-	-
IRS/MIS	-	-	0.050	-	-
Firewall	0.235	-	-	-	-
Wi-Fi	0.135	-	-	-	-
New Operational Communications					
Digitisation of Fire appliances - additional VMDS units	0.254	-	-	-	-
Replace Operational Communications					
ESMCP (Airwave replacement – assumed funded by grant)	-	-	1.000	-	-
Incident Ground Radios	0.230	-	-	-	-

UPS	-	-	-	-	0.060
Total ICT Programme	1.219	0.500	1.690	-	0.060

Buildings

The only new scheme included in the programme was Estate Improvements provision, which was a sum to enable improvements to the estates to be made on an on-going basis.

	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m
New Schemes					
Estate Improvements	0.250	0.250	0.250	0.250	0.250
Existing Schemes					
Upgrade WYLFA Prop	0.125				
W30 – Blackpool Welfare	0.500	-	-	-	-
Drill tower replacements (notional 4 per year)	0.600	0.600	0.600	0.600	0.600
C50 – Preston replacement station	-	5.000	5.000	-	-
STC Props	-	2.500	2.500	-	-
SHQ relocation	-	-	-	7.500	7.500
	1.475	8.350	8.350	8.350	8.350

In terms of all the building proposals it was noted that requirements / designs were still being developed hence costings were indicative only.

The replacement of Preston Fire Station was subject to the outcome of a review of response provision within the Preston area and did not include any allowance for acquisition of a new site (should one be required), as it was assumed this would be offset by the sale of the existing site.

The investment in Service Training Centre (STC) Props reflected the need to upgrade/replace some of the training props at STC which were nearing end of life.

The project to replace SHQ had been pushed back to 2026/27, as a definitive decision on the project was required in order to further develop cost and timing. If the relocation did not go ahead, then the existing provision would need to be reviewed and there was a need to undertake improvement works to ensure appropriate accommodation provision for the next 10 years.

The budget did not include any allowance for updating the property infrastructure to meet future Electric Vehicle charging requirements.

Total Capital Requirements

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

	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL
	£m	£m	£m	£m	£m	£m
Vehicles	6.097	0.678	0.975	1.832	3.034	12.616
Operational Equipment	1.325	0.792	1.000	0.900	0.320	4.337
IT Equipment	1.219	0.500	1.690	-	0.060	3.469
Buildings	1.475	8.350	8.350	8.350	8.350	34.875
	10.116	10.320	12.015	11.082	11.764	55.297

Capital Funding

Capital expenditure can be funded from the following sources:

Prudential Borrowing
The Prudential Code gave the Authority increased flexibility over its level of capital investment and much greater freedom to borrow, should this be necessary, to finance planned expenditure. However, any future borrowing would incur a financing charge against the revenue budget for the period of the borrowing. Given the financial position of the Authority it had not needed to borrow since 2007 and had repaid a large proportion of borrowing in October 2017.

Capital Grant
Capital grants were received from other bodies, typically the Government, in order to facilitate the purchase/replacement of capital items. There was an expectation that the ESMCP project costs would be offset by capital grant, however this had not been confirmed. To date no other capital grant funding had been made available, nor had any indication been given that capital grant would be available in future years, and hence no allowance had been included in the budget.

Capital Receipts
Capital receipts were generated from the sale of surplus property and vehicle assets, with any monies generated being utilised to fund additional capital expenditure either in-year or carried forward to fund the programme in future years. The Authority expected to hold £1.7m of capital receipts as at 31 March 2023. This would be fully utilised during the 5-year programme.
It was highlighted that the relocation of SHQ would provide an opportunity to sell part or all of the site, subject to any changes at Fulwood Fire Station, however any sale proceeds would not be realised within the timeframe of this programme.

Capital Reserves
Capital Reserves had been created from under spends on the revenue budget in order to provide additional funding to support the capital programme in future years. The Authority expected to hold £18.6m of capital reserves as at 31 March

2023. Over the life of the programme, it was anticipated utilising all these reserves.

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

As referred to in the Revenue Budget report, elsewhere on the agenda, the revenue contribution to capital was currently set at £4.0m per year, giving a total funding of £20.0m over the 5 years. This reduced the need to borrow and hence the capital financing charge associated with this.

Drawdown of Earmarked Reserves
£0.4m had been drawn down from the Innovation Reserve / Earmarked Reserve to fund the digitisation of fire appliances project and part of the Wylfa prop upgrade.

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

Total Capital Funding

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

	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL
	£m	£m	£m	£m	£m	£m
Capital Grant	-	-	1.000	-	-	1.000
Capital Receipts	1.683	-	-	-	-	1.683
Capital Reserves	4.069	6.320	7.015	1.197	-	18.601
Earmarked Reserves	0.364	-	-	-	-	0.364
Revenue Contributions	4.000	4.000	4.000	4.000	4.000	20.000
	10.116	10.320	12.015	5.197	4.000	41.648

Summary Programme

Based on the draft capital programme as presented there was a shortfall of £13.6m:

	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL
	£m	£m	£m	£m	£m	£m
Capital Requirements	10.116	10.320	12.015	11.082	11.764	55.297

Capital Funding	10.116	10.320	12.015	5.197	4.000	41.648
Surplus / (Shortfall)	-	-	-	(5.885)	(7.764)	(13.649)

This showed there was a significant funding gap.

Impact on the Revenue budget

The capital programme showed the Authority utilising all of its capital reserves and receipts part way through 2026/27, meaning that the remainder of the capital programme would need to be met from either capital grant (if available), additional revenue contributions or from new borrowing.

The draft budget as set out showed a need to borrow £13.6m. As there had already been £2.0m of funds set aside, this would entail £11.6m of new borrowing. This had a significant impact on the revenue budget, in terms of interest payments and setting aside a sum equivalent to the Minimum Revenue Provision (MRP), as shown in the table below. (It was noted that both the interest rate and the life over which MRP was charged were subject to change.)

	26/27 Impact	27/28 Impact
Interest per annum	£88k	£350k
MRP (MRP is only charged in year after purchase)	-	£118k
	£88k	£468k

The cost of this borrowing was incorporated into the revenue budget in future years, but the full year effect of this borrowing would not be felt until 2028/29, where the total cost would be £0.8m.

Summary

Without borrowing, the current programme was not balanced, as such the Authority would need to borrow £11.6m over the life of the programme. The cost of this borrowing was incorporated into the revenue budget however, this only impacted the last year of the Medium Term Financial Strategy. Given this, the Treasurer considered that the programme was prudent, sustainable and affordable in the medium term.

Prudential Indicators

The Prudential Code gave the Authority increased flexibility over its level of capital investment and much greater freedom to borrow, should this be necessary, to finance planned expenditure. However, in determining the level of borrowing, the Authority must prepare and take account of a number of Prudential Indicators aimed at demonstrating that the level and method of financing capital expenditure was affordable, prudent and sustainable. These

	Indicators were set out at Appendix 1 now presented, along with a brief commentary on each. The Prudential Indicators were based on the programme set out above. These indicators would be updated to reflect the final capital outturn position and reported to the Resources Committee at the June meeting. The main emphasis of these Indicators was to enable the Authority to assess whether its proposed spending and its financing was affordable, prudent and sustainable and in this context, the Treasurer's assessment was that, based on the indicators, this was the case. The Chairman commented that HMICFRS inspection outcome evidenced that the Authority had invested in specialist and appropriate equipment (including vehicles, drones and ICT) to ensure the Service had the right equipment at the right time. The Vice-Chairman added that the majority of capital costs related to the replacement of Preston station and potential relocation of Service Headquarters (as set out on page 149 of the agenda pack). He reminded Members that this had been discussed earlier on the agenda under the Planning Committee item which included a Task and Finish Working Group be established to support these projects. **Resolved:** That the Authority approved the: - i) Capital Strategy; ii) Capital Budget; and iii) Prudential Indicators as now presented.
72/22	**Revenue Budget 2023/24 - 2027/28 (Incorporating Medium Term Financial Strategy)**
	The Director of Corporate Services / Treasurer presented the report which set out the draft revenue budget for 2023/24-2027/28 and the resultant council tax implications. The budget requirement had been re-assessed taking account of known / anticipated changes, incorporating current projections, and forecast vacancy factors based on anticipated recruitment resulting in a total requirement of £68.5m. It was noted that the Local Government Settlement was not the anticipated multi-year settlement, as it only covered next year. It did however allow for:- • a 6.0% increase in funding, and it had been assumed that this increased by a further 5.0% next year and 2.0% in subsequent years; • a ‘Service Grant’ of £0.6m; • a change to the council tax referendum principles for Fire and Rescue Authorities (FRAs) increasing this to 3.0% but with a one-off increase in 2023/24 to £5 for all FRAs.

It was therefore proposed utilising this flexibility to increase council tax by £5 (6.4%, 10p per week), to £82.27. This would still leave a funding gap of £0.3m, which would be met from a combination of drawdown of reserves and unidentified savings delivered in year.

Looking longer term the key variables remained future funding levels, pay awards, pension costs and the successful implementation of the outcome of the Emergency Cover Review. At the present time funding gaps in future years were being forecast and depending upon the extent of these further efficiencies would look to be delivered and / or reserves utilised to offset these.

Members considered the report in detail.

Summary of Budget Changes

	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m
Preceding Years Draft Net Budget Requirement	63.0	68.5	71.8	74.5	76.6
Add back previous years unidentified savings target	-	-	-	-	-
Add back previous years Vacancy Factors	1.6	1.8	1.4	0.6	0.7
Inflation	7.5	2.0	1.7	1.7	1.7
Other Pay Pressures	(0.7)	0.7	-	-	-
Committed Variations	0.5	0.3	0.3	0.3	0.3
Growth	0.2	-	-	-	-
Efficiency Savings	(1.9)	-	0.1	0.1	0.1
Gross Budget Requirement	70.3	73.2	75.1	77.3	79.6
Vacancy Factors	(1.8)	(1.4)	(0.6)	(0.7)	(0.7)
Net Budget Requirement	68.5	71.8	74.5	76.6	78.9

In summary, the lack of a multi-year settlement made longer term planning more difficult as there could be no certainty around future funding forecasts. Offsetting this was the opportunity provided by the £5 council tax flexibility allowed this year.

Raising council tax by the maximum permissible still only increased the overall council tax bill by £5 but would generate £2.3m of funding for the Authority. It was proposed to utilise a combination of drawdown from reserves and further savings to bridge the funding gap in 2023/24 and beyond, the extent of this requirement being dependent upon final pay award agreement and future funding settlements.

The council tax increase / budget gave greater long term funding certainty which would form the basis of future investment requirements which were essential to hit the ‘road to outstanding’ ambition and be the best equipped, best trained and best accommodated Service.

In response to a question raised by CC Pattison the Deputy Chief Fire Officer advised that there were no foreseen challenges for the recruitment of apprentices to wholetime firefighter vacancies as per the forecast recruitment profile (set out on page 166 of the agenda pack).

In response to a question raised by Councillor Smith, the Director of Corporate Services confirmed that a consortium was used to purchase energy in advance when it was believed that the rates were favourable, as this was recognised as an efficient way of purchasing energy.

CC Howarth commented that even with the 6% increase in grant settlement from Government there was still the need to increase the council tax by 6.4% to maintain services the Authority were proud of. While this increase equated to only 10 pence per week it was in addition to other increases by other precepting authorities. The Government was just offloading the deficit onto the tax payer. In response, the Chairman commented the Authority had no control over the Government grant. He stated that he would never want to increase council tax. Although the Authority managed the budget well, there was a need to have an efficient and effective Service making Lancashire safer.

The proposal based on a council tax band D equivalent of £82.27, an increase of £5.00 was MOVED by County Councillor D O’Toole and SECONDED by County Councillor J Shedwick. The Authority voted unanimously in favour of the proposal by a show of hands.

The motion was therefore CARRIED and it was:

Resolved: - That the Authority: -

1. noted the Treasurer’s advice on the robustness of the budget.
2. noted the Treasurer’s advice on the appropriate level of reserves/balances.
3. agreed the revised budget requirement of £68.183m for 2023/24.
4. noted the level of Revenue Support Grant Funding £9.727m.
5. noted the level of Business Rates Retention Top Up Funding £11.563m.
6. noted the level of Local Business Rates Retention Funding £4.311m.
7. noted the section 31 grant of £3.863m due in respect of the business rate reliefs.
8. noted the business rate tax collection fund surplus of £0.133m.
9. noted the level of Service Grant Funding £0.634m.
10. noted the net council tax collection fund surplus of £0.276m after allowing for the 3-year spread from 2021/22.
11. agreed the council tax requirement, calculated in accordance with Section 42A (4) of the Localism Act of £37.675m.

12. noted the council tax base of 457,949 determined for the purposes of Section 42B of the Local Government Finance Act 1992.
13. agreed a council tax band D equivalent of £82.27, an increase of £5.00, calculated by the Authority under Section 42B of the Local Government Finance Act 1992 agree, on the basis of the fixed ratios between valuation bands set by the Government, council tax for each band as follows:

Band A	£54.85
Band B	£63.99
Band C	£73.13
Band D	£82.27
Band E	£100.55
Band F	£118.83
Band G	£137.12
Band H	£164.54

14. agreed, based on each district and unitary councils share of the total band D equivalent tax base of 457,949, the share of the total LCFA precept of £37.675m levied on each council as follows:

Blackburn With Darwen Borough Council	£2,985,812
Blackpool Borough Council	£3,112,275
Burnley Borough Council	£1,936,965
Chorley Borough Council	£3,154,440
Fylde Borough Council	£2,631,736
Hyndburn Borough Council	£1,805,416
Lancaster City Council	£3,502,975
Pendle Borough Council	£2,038,355
Preston City Council	£3,381,133
Ribble Valley Borough Council	£2,055,105
Rossendale Borough Council	£1,713,520
South Ribble Borough Council	£3,056,600
West Lancashire District Council	£3,134,139
Wyre Borough Council	£3,167,034
TOTAL	£37,675,505

73/22 **Member Champion Activity Report**

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

- Community Safety – Councillor Jean Rigby
- Equality, Diversity and Inclusion – Councillor Zamir Khan;
- Health and Wellbeing – County Councillor Andrea Kay
- Road Safety – County Councillor Ron Woollam

	Reports relating to the activity of the Member Champions were provided on a regular basis to the Authority. This report related to activity for the period up to 31 January 2023. During this period all had undertaken their respective role in accordance with the defined terms of reference. Member Champions went through the detail of their reports and expressed thanks to the officers who supported them in their roles. In addition: - Councillor Hugo advised that she had been asked by the Local Government Association Fire Services Management Committee to become an Equalities Advocate and she would welcome a meeting with Councillor Khan in order to present a broader view to that body. CC Kay tabled a copy of the Wellness Events Calendar (referred to on page 185 of the agenda pack) in order for Members to provide support. **Resolved**: That the Authority noted the report and acknowledged the work of the respective Champions.
74/22	**Fire Protection Reports**
	The report summarised Lancashire Fire and Rescue Service prosecutions pertaining to fire safety offences and set out a conviction resulting from arson which had progressed via the criminal justice process. The Assistant Chief Fire Officer drew Members' attention to an unusual fire in a commercial building which led to loss of life (as detailed on page 189 of the agenda pack). The incident occurred in Morecambe in October 2019 which led to a very detailed fire safety prosecution case being brought through the court system. Fire Protection and Business Support information was included in the report to provide Members with an update on the number of Business Fire Safety Checks undertaken, to demonstrate how the Service was ensuring it kept pace with legislative changes and as CC Clarke had referred to earlier (under consideration of the proceedings of the Planning Committee) the Risk Based Inspection Programme was reflective of all risks. In relation to fire safety prosecutions, CC Mein queried whether the Service was satisfied with the sentences given as these seemed lenient. In response, the Assistant Chief Fire Officer advised that the Service presented concise information but the level of sentence was determined by the courts. The Clerk added that it was complex and there was a lot of case law on sentencing. There were sentencing guidelines and while there would be wide discretion, sentencing would be within those guidelines based on many things including previous convictions for previous offences, timely guilty plea, severity of incident and whether or not the entry grade for the offence was custodial or not etc.

	Resolved: That the Authority noted and endorsed the report.
75/22	**Operational Incidents of Interest**
	The report provided Members with information relating to operational incidents of note over the period 1 December 2022 – 31 January 2023. Members noted the breadth of operational activity including the frequency of the drone deployment and the importance of the role that it played across the whole spectrum of operational response activity. **Resolved:** That the Authority noted the report.
76/22	**Member Complaints**
	The Monitoring Officer confirmed that there had been no complaints since the last meeting. **Resolved**: That the current position be noted.
77/22	**Date of Next Meeting**
	The next meeting of the Authority would be held on **Monday 24 April 2023** at 10:00am at the Training Centre, Euxton.
78/22	**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.
79/22	**Business Continuity - Industrial Action**
	(Paragraphs 3 and 4) The Assistant Chief Fire Officer provided Members with an update on the current approach to business continuity in the event of industrial action. **Resolved:** That the report be noted and action outlined endorsed.

M Nolan
Clerk to CFA

LFRS HQ
Fulwood