

Public Document Pack

Lancashire Combined Fire Authority

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

Car parking is available on the Main Drill ground.

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

Rooms have been made available for Political Group meetings from 0900 hours onwards, and tea/coffee will be available in the Canteen from 0845 hours.

Labour Group - Pendle Room

Conservative Group - Lancaster House 2

Agenda

Part 1 (open to press and public)

Chairman's Announcement – Openness of Local Government Bodies Regulations 2014

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. **Chairman's Welcome and Introduction**

Standing item.

2. **Apologies for Absence**

3. **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.

4. **Minutes of Previous Meeting (Pages 1 - 10)**

5. **Minutes of meeting Tuesday, 29 November 2022 of Audit Committee (Pages 11 - 32)**

6. **Minutes of meeting Wednesday, 30 November 2022 of Resources Committee (Pages 33 - 50)**

7. **Minutes of meeting Wednesday, 14 December 2022 of Performance Committee (Pages 51 - 78)**

8. **Minutes of meeting Monday, 6 February 2023 of Planning Committee (Pages 79 - 102)**
9. **Pay Policy Statement 2023/24 (Pages 103 - 110)**
10. **Treasury Management Strategy 2023/24 (Pages 111 - 128)**
11. **Reserves and Balances Policy 2023/24 (Pages 129 - 144)**
12. **Capital Strategy and Budget 2023/24 - 2027/28 (Pages 145 - 160)**
13. **Revenue Budget 2023/24 - 2027/28 (Incorporating Medium Term Financial Strategy) (Pages 161 - 182)**
14. **Member Champion Activity Report (Pages 183 - 188)**
15. **Fire Protection Reports (Pages 189 - 192)**
16. **Operational Incidents of Interest (Pages 193 - 198)**
17. **Member Complaints**

Standing item.

18. **Date of Next Meeting**

The next meeting of the Authority will be held on **Monday 24 April 2023** at 1000 hours at Washington Hall Training Centre, Euxton.

19. **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.

20. **Exclusion of Press and Public**

The Authority 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.

21. **Business Continuity - Industrial Action (Pages 199 - 202)**

(Paragraphs 3 and 4)

22. **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.

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Lancashire Combined Fire Authority

Monday, 19 December 2022 at 10.00 am in Washington Hall, Service Training Centre, Euxton

MINUTES

PRESENT:

D O'Toole (Chair)

Councillors

J Shedwick (Vice-Chair)
 L Beavers
 S Clarke
 M Dad
 N Hennessy
 T Hurn
 D Howarth
 J Hugo
 F Jackson
 A Kay
 Z Khan

J Mein
 S Morris
 M Pattison
 J Rigby
 P Rigby
 S Rigby
 J Singleton
 D Smith
 T Williams
 R Woollam
 B Yates

42/22	<u>CHAIRMAN'S WELCOME AND INTRODUCTION</u>
	The Chairman welcomed County Councillor Terry Hurn who had replaced County Councillor Ash Sutcliffe on the Authority.
43/22	<u>APOLOGIES FOR ABSENCE</u>
	Apologies were received from: County Councillors Hasina Khan and Sean Serridge.
44/22	<u>DISCLOSURE OF PECUNIARY AND NON-PECUNIARY INTERESTS</u>
	None received.
45/22	<u>MINUTES OF PREVIOUS MEETING</u>
	<u>RESOLVED:</u> - That the Minutes of the CFA held on 3 October 2022 be confirmed and signed by the Chairman.
46/22	<u>MINUTES OF MEETING WEDNESDAY, 28 SEPTEMBER 2022 OF RESOURCES COMMITTEE</u>
	In response to a request from Councillor Williams, Chairman of the Committee, the Head of Human Resources confirmed it would be possible to present to a future meeting, details of how the Service was aiming to increase firefighter applications from females.

	<u>RESOLVED</u> : - That the proceedings of the Resources Committee held on 28 September 2022 be noted and endorsed.
47/22	<u>MINUTES OF MEETING THURSDAY, 3 NOVEMBER 2022 OF MEMBER TRAINING & DEVELOPMENT WORKING GROUP</u>
	<u>RESOLVED</u> : - That the proceedings of the Member Training and Development Working Group held on 3 November 2022 be noted and endorsed.
48/22	<u>NOTES OF MEETING MONDAY, 7 NOVEMBER 2022 OF STRATEGY GROUP</u>
	<p>The Chairman commented that the Strategy Group was a good opportunity outside the committee structure to receive a lot of information and to make comments. At the last meeting Members received a really good report on the Emergency Cover Review (ECR) from the Deputy Chief Fire Officer. Members were interested, involved and asked a lot of questions. The Chairman was pleased at the number of Members who had attended and encouraged all Members to continue to attend this important meeting in future.</p> <p><u>RESOLVED</u>: - That the proceedings of the Strategy Group held on 7 November 2022 be noted and endorsed.</p>
49/22	<u>MINUTES OF MEETING MONDAY, 21 NOVEMBER 2022 OF PLANNING COMMITTEE</u>
	<u>RESOLVED</u> : - That the proceedings of the Planning Committee held on 21 November 2022 be noted and endorsed.
50/22	<u>EMERGENCY COVER REVIEW - FINAL RECOMMENDATIONS POST-CONSULTATION</u>
	<p>Members received a report which was presented to Planning Committee on 21 November 2022 (detailed minutes from which had been considered by the Authority earlier on today's agenda). The report set out details of the consultation process and analysis, presented amended Emergency Cover Review (ECR) proposals refined post-consultation and included an updated full equality impact assessment.</p> <p>The Chairman, County Councillor O'Toole stated that a letter had been sent to Authority Members and Senior Officers in the Service via email the previous evening (late on 18 December) from the Fire Brigades Union (FBU) providing further comments on the ECR. He invited Officer comment. The Deputy Chief Fire Officer felt it worth reflecting that at the Strategy Group meeting held early November he went through a comprehensive presentation on the ECR consultation process and outcomes, and the subsequent Planning Committee had considered the revised proposals in detail. He found it disappointing to receive the letter in the late evening before this meeting, which may not yet have been read by all Members, when there had been discussions with the FBU on the whole ECR over the course of the last 10 months and the FBU</p>

feedback from the consultation process was included in the agenda pack (pages 197-202). He advised that the letter contained a number of inaccuracies as follows:

- i) The letter referred to the proposal to introduce a new Flexible Wholetime Duty System or to reduce the staffing establishment on the existing 2-2-4 duty system to 24 (from 28) should an agreement not be reached with the Trade Unions (page 60 of the agenda pack) citing a report produced by the National Fire Chiefs Council regarding the working patterns project. The Deputy Chief Fire Officer advised that the letter had only referenced from the report 1 Fire and Rescue Service as having looked at crewing levels whereas, there were at least 2 other Services that referenced establishment levels lower than 28.
- ii) The Deputy Chief Fire Officer advised that the letter correctly referenced the proposed reduction in firefighter crewing levels on Day Crewing Plus (DCP) stations however, this was being proposed in order to balance the whole budget (page 60 of the agenda pack).
- iii) The Deputy Chief Fire Officer was disappointed that the letter referred to job losses and loss of fire cover, when this was not the case. The proposed ECR put 8 wholetime firefighters into the Service and potentially some additional on-call firefighters dependent on the final arrangements agreed for Penwortham and St Annes. The loss of fire cover was not accurate; throughout the ECR process the aim of maintaining all 39 fire stations and 58 fire appliances remained. The letter also challenged the data that supported an overall county impact of 0.1% (as referred to on page 62 of the agenda pack) without citing any alternative view. The Deputy Chief Fire Officer confirmed that the data used to inform the ECR had been externally analysed by a third party across tens of thousands of incidents over years of data. He confirmed that the proposals did not have a significant impact on emergency cover. What was being proposed was an efficient and effective way of deploying resources across Lancashire.

The Chairman commented that the ECR was extremely thorough and he was pleased with the response level to the consultation; congratulating everyone involved. County Councillor Hennessy agreed with the Chairman's comments thanking Officers for keeping Members involved and engaged in the whole process.

County Councillor Hennessy confirmed she was happy with the Deputy Chief Fire Officer's response to the FBU letter and likewise was disappointed that its content had not been brought to the attention of Members and Officers earlier. She was pleased that the proposals provided an increased provision of firefighters and improved technology.

The Chairman gave credit to Officers in managing the Service throughout a continuing difficult period without proposing the closure of any fire stations or any compulsory redundancies as had happened in many other Authorities.

The Chief Fire Officer advised that all interested parties had been involved through working groups throughout the ECR to listen to views and provide as

many options as possible for staff to remain on the DCP system or move to a different duty system. The next phase in implementing the ECR would be in consultation and negotiation with staff to understand individual preferences and seek to accommodate them as far as reasonably practicable, whilst delivering the best service to the public.

County Councillor Howarth stated he could not support the recommendation as his Lancashire County Council division was Penwortham. He was not convinced the consultation was effective or accurate. He thanked fire officers who had attended a South Ribble Borough Council Scrutiny Committee meeting to answer questions. Although he was aware that fire appliances travelled across the county to incidents, he was concerned that the report did not reflect that. It appeared to be based on statistics where Penwortham fire station only served the Penwortham area but this was not the case. Penwortham was the closest station to all the high-rise blocks in the centre of Preston which included new build multiple high-rise student accommodation blocks. The ECR referred only to incident levels and risk in Penwortham. It made no reference to the many cases where Penwortham appliance was the first to respond to incidents in the centre of Preston. In addition, he found it unacceptable that: i) of the 14 firefighters based at Penwortham, 11 would be expected to relocate; ii) that the final decision would be agreed by the Chief Fire Officer and Authority Chairman; and, iii) there was a recommendation for a further review across the Preston area.

In response, the Deputy Chief Fire Officer advised that for each of the stations directly affected by the ECR, individual station assessments had been completed in detail with comprehensive data available to the public on the website. It was the responsibility of Senior Fire Officers to provide holistic fire cover across Lancashire and to do that the county was divided into risk areas. The point was fully accepted that appliances crossed borders however, the station boundaries were dynamic ie: if an on-call appliance was off the run then another station's boundaries would become bigger. He confirmed that the latest technology available through North West Fire Control was used to mobilise the quickest resource to every incident. In addition, if there was a 'person's reported' house fire, 3 appliances would be sent and if there was a commercial fire, 4 appliances would be sent. He advised that the Preston area was currently covered by 4 appliances crewed either completely by wholetime firefighters or wholetime firefighters on a day crewing system and that would remain as part of these proposals. In addition, the Authority had already approved an investment in a 45m Aerial Ladder Platform (page 61 refers); this would be based in central Preston to respond to high-rise incidents. He advised that the proposal for a decision by the Chairman and Chief Fire Officer concerned how the on-call element would be delivered at night; Members were not being asked to consider the crewing arrangements at Penwortham. These would be wholetime during the day and an on-call system at night. Many of the firefighters that worked at Penwortham wanted to remain on the current day crewing plus system however, that was not supported by the main Trade Union in the Service, the FBU. Part of the ECR had been to try to reduce the number of DCP stations and by making the changes at Penwortham (in part) supported that. Overall, the proposals presented helped to deliver the most effective and efficient service across the county.

County Councillor S Rigby referred to page 54 of the agenda pack under the financial implications section and the timing of the implementation given the statement 'despite these revisions, there still remains the potential need to revisit the proposals in light of the eventual funding settlement'. He queried whether the ECR would be in place before the known outcome of the financial settlement. In response, the Deputy Chief Fire Officer advised that the proposals presented did need to be progressed because the ECR aimed to provide more resilience across the county. It was recognised there were currently 11 DCP stations and this needed to change; therefore, part of the proposals reduced these to 6. To achieve that and still see a growth in firefighter numbers was an achievement. Also, 3 stations would be upgraded through an increased establishment from 14 – 24. The overall package would deliver a first-class response service and prevention and protection to the communities of Lancashire.

The Director of Corporate Services added that the funding settlement was due to be received later that week. The Authority did not consider the overall budget fully until its meeting in February therefore, there were timing issues. One of the challenges faced was the funding settlement was not across a 4-year period which would give the Authority time to plan longer-term. The settlement was expected to be across 1 or 2 years which was still relatively short-term for planning purposes and which brought its own unique challenges. In addition, there remained uncertainty around pay awards and inflation. The ECR aimed to support a sustainable platform, taking on board the comments made by the Deputy Chief Fire Officer regarding the efficiency and effectiveness of the Service. The statement in the report was more a reflection of the potential for austerity in the longer term which was difficult to currently forecast.

In response to a further question from County Councillor S Rigby, the Director of Corporate Services confirmed that some of the changes from the ECR were dependent on further internal consultation however, there would be some impact 2023/24 but it would be a continuing process.

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

For (22)

L Beavers, S Clarke, M Dad, N Hennessy, T Hurn, J Hugo, F Jackson, H Khan, Z Khan, J Mein, S Morris, D O'Toole, M Pattison, J Rigby, P Rigby, S Rigby, J Shedwick, J Singleton, D Smith, T Williams, R Woollam and B Yates.

Against (0)

None.

Abstained (1)

D Howarth.

The motion was therefore CARRIED and it was:

	<u>RESOLVED</u> : - That the Authority acknowledged the effective and accurate consultation process and approved the revised ECR proposals as presented.
51/22	<u>ANNUAL STATEMENT OF ASSURANCE</u>
	<p>The Chief Fire Officer presented the report. The Fire and Rescue National Framework for England (2018) set out the Government's high-level expectations, priorities and objectives for Fire and Rescue Authorities (FRA's) in England. Included within the framework was the requirement that all FRA's must provide assurance on financial, governance and operational matters.</p> <p>The Statement of Assurance was considered by Members. It aimed to provide the required accountability and transparency to Lancashire communities and the Government that Lancashire Fire and Rescue Service continued to deliver efficient, effective value for money services.</p> <p>This statement sat alongside the Community Risk Management Plan (CRMP), Statement of Accounts, the Annual Governance Statement, the Annual Service Plan and Annual Progress Report. It detailed what measures were in place to assure that the Combined Fire Authority's performance was efficient, economic, and effective and provided further evidence that LFRS continued to deliver under the expectations detailed within both the National Framework and its own Risk Management Plan.</p> <p><u>RESOLVED</u>: - That the Authority approved the Annual Statement of Assurance 2021-22 as presented and approved the signing of this by the Chairman of the Authority and the Chief Fire Officer.</p>
52/22	<u>MEMBER CHAMPION ACTIVITY REPORT</u>
	<p>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:</p> <ul style="list-style-type: none"> • 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 <p>The Chairman thanked the Member Champions for their work. Reports relating to activity were provided on a regular basis to the Authority. In presenting their sections of the report each Member Champion took the opportunity to thank the staff that worked with them for their dedication and support. This report related to activity for the period up to 30 November 2022.</p> <p>In response to a question raised by County Councillor Pattison, County Councillor Woollam confirmed that work was undertaken with Lancashire County Council (LCC) colleagues to provide 'Slow Down, Save Lives' stickers and these were available from LCC for distribution as appropriate.</p>

	<p><u>RESOLVED</u>: - That the Authority noted the report and acknowledged the work of the respective Champions.</p>
53/22	<p><u>FIRE PROTECTION REPORT</u></p> <p>The report summarised Lancashire Fire and Rescue Service prosecutions pertaining to fire safety offences and set out convictions resulting from 5 arson incidents which had progressed via the criminal justice process.</p> <p>Fire Protection and Business Support information was also included in the report to provide Members with an update on the continually evolving regulatory position and how the Service was developing and adapting both its services and workforce to ensure it kept pace with the changes to keep public and firefighters safe in the built environment.</p> <p><u>RESOLVED</u>: - That the Authority noted and endorsed the report.</p>
54/22	<p><u>OPERATIONAL INCIDENTS OF INTEREST</u></p> <p>The report provided Members with information relating to operational incidents of note over the period 1 September 2022 – 30 November 2022.</p> <p>Councillor Jane Hugo queried whether any multi-agency lessons had been learned from the counter-terrorism exercise in Blackpool (as referenced on pages 267 and 268 of the report). In response, the Deputy Chief Fire Officer advised that there was a significant number of resources that attended the exercise which was organised through the Lancashire Resilience Forum (LRF). Attendees included category 1 responders (emergency services and local authorities) and some category 2 agencies. Numerous debriefs had been carried out over the course of the previous month including a strategic debrief the previous week. All feedback was being collated through the Service's Response and Emergency Planning Team. Learning from the exercise would be progressed internally by the Service and by the LRF with other agencies. The Deputy Chief Fire Officer advised that government ministers were involved in discussions given it was such a significant incident. The exercise was well organised with staff in attendance a credit to the Service. The Deputy Chief Fire Officer confirmed that Members regularly received details of business continuity test exercises and this would be reported in due course.</p> <p>County Councillor Clarke referred to an incident on Poulton Road in Fleetwood (page 266 of the agenda pack) where the Service attended a major building fire at a property that had been derelict for a number of years. He commended the actions of the firefighters in attendance who were able to stop the fire spreading to neighbouring properties.</p> <p>In addition to the report, County Councillor Kay wanted to thank staff at Fleetwood Fire Station who had responded to support her following a number of reports of antisocial behaviour in the Wyre area.</p> <p>Councillor Williams thanked staff from Bispham Fire Station who had attended</p>

	<p>a road traffic accident in Blackpool involving 3 people including a pregnant lady. The Service removed the roof of the vehicle using hydraulic rescue equipment and the lady was rescued safely.</p> <p>County Councillor Shedwick acknowledged the range of activities detailed in the report including the work of the activity dogs. He also thanked staff for attending a further road traffic accident which had occurred the previous evening in Thornton.</p> <p>County Councillor Singleton thanked staff who attended the road traffic collision in Singleton village (page 268 of the agenda pack) where there had unfortunately been a fatality and multiple casualties. He understood that speed cameras would now be made available on the road where the accident occurred.</p> <p><u>RESOLVED</u>: - That the Authority noted the report.</p>
55/22	<u>MEMBER COMPLAINTS</u>
	<p>The Monitoring Officer confirmed that there had been no complaints since the last meeting.</p> <p><u>RESOLVED</u>: - That the current position be noted.</p>
56/22	<u>DATE OF NEXT MEETING</u>
	The next meeting of the Authority would be held on <u>Monday 20 February 2023</u> at 10:00am at the Training Centre, Euxton.
57/22	<u>EXCLUSION OF PRESS AND PUBLIC</u>
	<u>RESOLVED</u> : - 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.
58/22	<u>BUSINESS CONTINUITY</u>
	<p>(Paragraphs 1, 3 and 4)</p> <p>The Assistant Chief Fire Officer provided Members with an update on the current approach to business continuity in the event of industrial action.</p> <p><u>RESOLVED</u>:- That the report be noted and action outlined endorsed.</p>
59/22	<u>URGENT BUSINESS (PART 2)</u>
	<p>(Paragraph 3)</p> <p>Members received an update from the Chief Fire Officer of the potential impact</p>

on the Service during industrial action planned by North West Ambulance Service staff for later that week.

RESOLVED: - That the report be noted.

M NOLAN
Clerk to CFA

LFRS HQ
Fulwood

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Lancashire Combined Fire Authority

Meeting to be held on 20 February 2023

Proceedings of Audit Committee held 29 November 2022

(Appendix 1 refers)

Contact for further information:

Diane Brooks, Principal Member Services Officer - Tel: 01772 866720

Executive Summary

The proceedings of Audit Committee meeting held 29 November 2022.

Recommendation(s)

To note the proceedings of Audit Committee as set out at appendix 1 now presented.

Information

Attached at Appendix 1 are the proceedings of the Audit Committee meeting held on 29 November 2022.

Business Risk

Nil

Environmental Impact

Nil

Equality & Diversity Implications

Nil

Financial Risk

Nil

HR Implications

Nil

Local Government (Access to Information) Act 1985

List of background papers

Paper:

Date:

Contact:

Reason for inclusion in Part 2 if appropriate: N/A

Lancashire Combined Fire Authority

Audit Committee

Tuesday, 29 November 2022, at 10.00 am in the Main Conference Room, Service Headquarters, Fulwood.

MINUTES

<u>PRESENT:</u>	
<u>Councillors</u>	
J Shedwick (Chair)	
N Hennessy (Vice-Chair)	
S Clarke	
M Dad	
F Jackson	
A Kay	
J Singleton	
<u>Officers</u>	
K Mattinson, Director of Corporate Services (LFRS) J Meadows, Head of Finance (LFRS) D Brooks, Principal Member Services Officer (LFRS) L Barr, Member Services Officer (LFRS)	
<u>In attendance</u>	
G Jones, External Audit, Grant Thornton H Stevenson, External Audit, Grant Thornton A Dalecki, Internal Audit, Lancashire County Council L Rix, Internal Audit, Lancashire County Council K Wilkie, Fire Brigades Union	
11/22	<u>APOLOGIES FOR ABSENCE</u>
	None received.
12/22	<u>DISCLOSURE OF PECUNIARY AND NON-PECUNIARY INTERESTS</u>
	None received.
13/22	<u>MINUTES OF THE PREVIOUS MEETING</u>
	<u>RESOLVED:</u> - That the Minutes of the last meeting held on 05 July 2022 be confirmed as a correct record and signed by the Chair.

14/22	<u>EXTERNAL AUDIT - LETTER OF REPRESENTATION</u>
	<p>As part of the year-end process the Authority was required to sign a letter of representation. This letter confirmed that the Authority had disclosed all relevant information in its accounts for the year in question and that all issues which should have been brought to the attention of the auditors had been.</p> <p>The Treasurer confirmed he would sign the letter, as there were no issues which he felt required disclosure.</p> <p><u>RESOLVED</u>: - That the Audit Committee authorised the signing of the letter by the Chair of the Committee.</p>
15/22	<u>EXTERNAL AUDIT - AUDIT FINDINGS REPORT</u>
	<p>Georgia Jones, Key Audit Partner presented the Audit Findings report to the Committee.</p> <p>Under the statutory Code of Audit Practice for Local Government bodies the Authority's external auditors, Grant Thornton were required to issue a report to those charged with governance summarising the conclusions from their audit work.</p> <p>Georgia Jones advised that at the time of writing the report the audit work was substantially complete and there were no matters of which they were aware that would require modification of the audit opinion or material change to the financial statements, subject to outstanding matters listed below:-</p> <ul style="list-style-type: none"> • responses from the pension fund auditor to gain assurance on underpinning controls and supporting data for the pension fund net liability; • receipt of management representation letter; • review of the final set of financial statements; and • final quality procedures. <p>There were two recommendations relating to Oracle password configuration set out on page 20 of the report (page 38 of the agenda pack), and the Self-authorisation of journals set out on page 21 of the report (page 39 of the agenda pack: -</p> <ol style="list-style-type: none"> 1. "We identified a weakness in Oracle password configuration. The password length is set to 6 characters and does not include a minimum password length of 8 characters as per leading practices." <p>Members were informed that it related to the existing finance system which was being replaced in December and, as such it was not proposed to amend this within the existing system.</p> <ol style="list-style-type: none"> 2. "Our risk assessment of journal controls noted that there are no automated controls on the finance system to prevent members of finance staff approving their own journals. Whilst our audit work on journals so far has not identified any significant issues as a result of this weakness in

internal controls, we recommend the authority establishes an authorisation control to reduce the risk of financial reporting fraud and /or error in future."

The response to this was consistent with previous responses "We have considered the recommendation. We believe our financial monitoring processes are sufficient to identify if such an instance occurred. Neither ourselves, nor internal and external audit, have discovered any instances of error or reporting fraud that the implementation of this would have prevented. Hence, given the size of our finance team, we do not feel that introducing further controls is practical or proportionate to the risk."

There were several disclosures and misclassification changes required, as set out on page 22 (page 40 of the agenda pack), and three adjusted misstatements, as set out on page 23 (page 41 of the agenda pack), the majority of which were identified by the Authority during the audit process.

There was one adjusted misstatement as set out on page 23 (page 41 of the agenda pack), which related to the treatment of potential future costs of claims relating to pensionable allowances, and specifically treating it as a creditor as opposed to a provision. Given it was below the Service's materiality threshold, the Treasurer had not amended the accounts to reflect that.

Georgia Jones drew the Members attention to Page 36 which detailed independence and ethics which disclosed the following:

"The Authority took on a Chief Accountant on April 18, 2022. In May the Authority advised Grant Thornton that this individual was registered as a benched contractor for Grant Thornton. After Internal consultation, it was determined that as the individual was considered an officer of the Authority, this would be determined as a breach of FRC 2.53.

We can confirm that as a benched contractor the individual has not worked on any assignments for Grant Thornton and the audit team have not had any communication with them as part of the delivery of the audit. We further mitigated any threat however by removal of the individual from the bench, effective July 13 2022.

We do not consider that there has been a compromise to independence. However, this is a breach of FRC 2.53 and therefore reportable to the Financial Reporting Council (FRC).

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard as we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies."

	<p>An audit fee of £40.8k had been agreed as part of the Audit Plan. The final fee would be confirmed once the audit was complete.</p> <p>The Director of Corporate Services advised that the deadline for the accountants approving the audit had been brought forward for next year and that he felt the revised deadline would be extremely challenging for the Authority. He emphasised that, overall, it was a positive report given that it had been a challenging year, as it would be next year.</p> <p>The Chairman agreed that the report was very positive and thanked Georgia Jones for being forthright.</p> <p><u>RESOLVED:</u> - That the Committee: -</p> <ul style="list-style-type: none"> i) Noted and endorsed the matters raised in the report; ii) Noted the anticipated “unmodified” audit opinion on the financial statements; iii) Noted that the auditors had not yet completed all of their value for money work and so were not in a position to issue a report on that.
16/22	<p><u>INTERNAL AUDIT MONITORING REPORT</u></p>
	<p>The Internal Auditors produced a summary of progress against the annual plan for each Audit Committee meeting, setting out progress to date and any significant findings. The report for the period up to 09 November 2022 was presented by Laura Rix.</p> <p>To date, 18.25 days had been spent this financial year on completion of the 2022/23 plan, equating to 26% of the total planned audit activity of 70 days. The table in the report showed the current status of all audit work.</p> <p>No areas of concern came to attention in conducting the assurance work to date that required bringing to the attention of committee members.</p> <p><u>RESOLVED:</u> - That the Committee noted and endorsed the report.</p>
17/22	<p><u>STATEMENT OF ACCOUNTS 2021/22</u></p>
	<p>The Chair welcomed the Service’s new Head of Finance, Jacquie Meadows to the meeting.</p> <p>The Director of Corporate Services presented the report to the meeting. The report presented the Statement of accounts for the financial year ended 31 March 2022 which included the Authority’s 25% share of the North West Fire Control accounts. The Committee considered the Statement of Accounts as presented.</p> <p>The following sections summarised the details contained within the core statements:-</p>

Narrative Report

The report set out the financial context in which the Combined Fire Authority operated and provided an overview of the financial year 2021/22 as well as details of future plans.

Comprehensive Income & Expenditure Account

The statement confirmed the accounting cost in the year of providing services. It was a summary of the resources that had been generated and consumed in providing services and managing the Authority during the last year. It included all day-to-day expenses and related income on an accrual's basis, as well as transactions measuring the value of fixed assets actually consumed and the real projected value of retirement benefits earned by employees in the year.

The main points to note were:-

	2021/22	2020/21	
Service Delivery	30,391	32,645	The cost-of-Service Delivery showed a decrease when compared with the previous year, due to the impact of the ISAS19 pension accounting adjustment which was partly offset by Prevention & Protection moving to the Service Delivery Directorate from the Strategy & Planning Directorate.
Strategy & Planning	10,928	12,415	The cost of Strategy & Planning showed a decrease when compared with the previous year, due to Prevention & Protection moving from the Strategy & Planning Directorate to the Service Delivery Directorate.
People & Development	1,920	1,611	The cost of People & Development was broadly comparable with last year.
Corporate Services	4,653	4,821	The cost of Corporate Services was broadly comparable with last year.
Fire Fighters Pensions	1,239	1,285	These were the ongoing pension costs relating to previous ill health or injury retirements, which had remained at a similar level to the previous year.
Overheads	1,217	1,574	This heading included all capital financing charges, refunds made in respect of the LGPS surplus, and depreciation and impairment charges made in respect of assets.
Gain On Disposals of Fixed Assets	(3)	(17)	This related to the sale of surplus vehicles.
Interest Payable	1,408	1,439	This heading included the interest

			payable in respect of current loans, and the interest charges associated with the PFI scheme and finance leases, which were in line with the previous year's charges.
Pension Interest Cost and Expected Return on Assets	17,648	18,207	This related to adjustments required under IAS 19 requirements and was designed to show the expected increase in costs of the scheme less the expected increase in asset values. As the Fire-fighters pensions' scheme was unfunded there was no increase in asset value to offset the increase in scheme costs resulting in the charge to the Income and Expenditure Account.
Interest Receivable	(206)	(253)	This was broadly comparable with last year.
Council Tax*	(33,160)	(31,055)	Amounts raised through council tax, including the Authority's element of council tax collection fund surplus accumulated during the preceding year by the billing authorities.
Revenue Support Grant	(8,570)	(8,523)	The level of Revenue Support Grant allocated to the Authority by the Government.
Non-Domestic Rates Redistribution*	(14,786)	(13,565)	Amounts raised through non-domestic rates, including the Authority's element of business rates collection fund surplus/deficit accumulated during the preceding year by the billing authorities, in addition to top up grant receivable from the Government as part of the localisation of business rates. The change between years reflected the changes in the collection fund for this.
Business rates S31 grant	(1,360)	(1,284)	This grant was allocated to the Authority by the Government and related to small business rates reliefs allowed by the Government as part of the localisation of business rates.
Business rates additional reliefs S31 grant	(1,101)	(1,925)	The balances related to additional business rates relief funding.
Local Taxation Income guarantee	(4)	(132)	This grant was allocated to the Authority by the Government and offset losses in local taxation that were attributable to the pandemic.
Capital grant	(253)	(253)	This grant was the Authority's 25%

income			share of the capital grant received by NWFC.
Covid 19 S31 grant	-	(1,346)	This reflected the S31 grant received during 2020/21.
Deficit On the Provision of Services	9,962	15,643	The overall deficit showed that expenditure incurred exceeded income generated over the last twelve months and was measured in terms of the resources consumed and generated. However, this included a number of accounting entries which did not impact on council tax levels, most notably those relating to the pension's schemes. As such this did not show the actual surplus when comparing spend against council tax.
(Surplus)/Deficit on Revaluation of Non-Current Assets	(10,610)	(2,523)	This was a notional change in the value of fixed (non-current) assets, based on changes in market conditions etc. No actual change in value would be achieved until such time as the asset was disposed of.
Actuarial (Gains)/ Losses on Pensions Assets and Liabilities	(13,400)	61,444	This was a notional charge arising from the Actuary changing their assumptions on which future pensions liabilities were calculated, such as mortality rates, future interest rates, pay and pension increases, return on assets etc.
Total Comprehensive Income and Expenditure	(14,047)	74,564	This showed the total cost of providing services, presented in accordance with generally accepted accounting practices, rather than showing the amount funded from taxation.

In order to aid understanding the following table showed the comparison between the revenue budget position, as reported to Resources Committee, and the Total Comprehensive Income and Expenditure figure set out above:-

	£m
Revenue Outturn	(0.332)
NWFC Outturn	(0.073)
Accounting for pensions under IAS19	9.130
Revenue Contributions to Capital Outlay	(2.373)
Adjustments between accounting basis and funding basis under regulations	3.610
Deficit on the provision of services	9.962
Surplus on revaluation of non-current assets	(10.610)

Actuarial loss on pensions assets and liabilities	13.400
Total Comprehensive Income and Expenditure	14.047

Movement in Reserves Statement

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

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

The main points were:-

	Usable Reserves	Unusable Reserves	Total Reserves	
Balance at 1 April	36,979	(804,713)	(767,734)	
Deficit on the provision of service	(9,962)	-	(9,962)	This showed the true economic cost of providing the Authority's services, more details of which were shown in the Comprehensive Income and Expenditure Statement. As set out earlier it was not accounted for on the same basis as the Service account for council tax and hence did not tie into the actual revenue position set out in the Year End Revenue Outturn report.
Other Comprehensive Income and Expenditure	-	24,009	24,009	This related to the surplus on revaluation of non-current assets and the actuarial loss on pensions assets and liabilities.
Charges for depreciation	4,863	(4,863)		This showed the costs charged to the

	and impairment of non-current assets				revenue budget for the utilisation of fixed assets in the year.
	Amortisation of intangible assets	158	(158)		This showed the costs charged to the revenue budget for the utilisation of intangible assets (Software) in the year.
	Statutory provision for the repayment of debt	(458)	458	-	This was the charge made against the revenue budget to reduce future borrowing requirements, and included an element relating to debt associated with PFI and finance leases
	Capital expenditure charged against General Fund Balance	(2,373)	2,373	-	This was the level of capital expenditure which had been funded from contributions from the 2021/22 revenue budget, as agreed as part of the budget setting process and as shown in the Year End Capital Outturn report.
	Amount by which the Code and the statutory pension costs differ	9,130	(9,130)		This showed the difference between the change in pension liability from one year to the next and the level of employer pension contributions and retirement benefits allowed for in the revenue budget/council tax calculation.
	Amount by which collection fund income in the comprehensive income and expenditure statement is different from	(1,585)	1,585	-	This showed the difference in value between the amount due to be raised from council tax and business rates, as agreed as part of the budget setting process, and the

	collection fund income calculated for the year in accordance with statutory requirements				amount collection authorities have actually collected on the Service's behalf in the year, i.e., the difference between the assumed collection rate and the actual collection rate.
	Net increase / decrease before transfers to earmarked reserves	(228)	14,275	14,047	This showed the Usable Reserves Balance change in year before any discretionary transfers to or from Earmarked Reserves undertaken by the Authority.
	Transfers (to) / from capital funding reserves	(977)	977	-	These represented the transfers from the capital funding reserve referred to in the Year End Capital Outturn report and the Year End Usable Reserves and Provisions report.
	Amount by which remuneration charged on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(102)	(102)	-	This represented the movements on the Accumulated Absences Adjustment Account, which reflected the decrease in the amount of leave owed to staff at the year end.
	Increase / Decrease in the year	(1,306)	15,351	14,047	This was the net change to reserves, comprising the Surplus/Deficit on provision of services, less any adjustments for items which did not affect council tax and any transfers to/from earmarked reserves and tied into the overall change in Usable reserves included in the Year

				End Usable Reserves and Provisions Outturn report.
Balance at 31 March	35,673	(789,359)	(753,686)	These were the final reserve balances which were reflected in the balance sheet in the statement of accounts, and which tied into the values shown in the Year End Usable Reserves and Provisions Outturn report.

Balance Sheet

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

The main points to note were:-

	2021/22	2020/21	
Long Term Assets			
Property, Plant & Equipment	108,637	99,538	The value of property, plant & equipment had increased by £9m, due to the level of capital expenditure (£3m as shown in the Year End Capital Outturn report) and the net revaluation gains of £11m compared with depreciation charges of £5m.
Intangible assets	523	639	Intangible assets were assets which did not have a physical form, such as software, the reduction in value reflecting the level of amortisation of these assets, representing their usage in year.
Long Term Investments	5,000	10,000	The Authority held one investment with Local Government bodies which was classed as long-term investments, i.e., over 12 months in duration, as shown in the Year End Treasury Management Outturn report.
Current Assets			
Inventories	257	279	The value of stock held had remained broadly in line with last year.
Short-Term	10,000	5,000	The Authority held two investments

Investments			with Local Government bodies which were classed as short-term investments, i.e., under 12 months in duration, as shown in the Year End Treasury Management Outturn report.
Short-Term Debtors*	12,888	10,885	Debtors represented monies owed to the Authority on 31st March 2021. In order to improve cash flow this figure should be as low as possible; however, it was inevitable that there would always be a balance on this due to the timing of invoices and the debt recovery process. The main debt related to Council Tax, Business Rates (which represented our share of debts that billing authorities hold) and amounts owed to the Authority by the FF pension fund in the form of top up grant due. The level of debtors at the year-end had increased reflecting the increase in both of these.
Cash & Cash Equivalents	17,896	22,603	This represented the cash book balance at the year end, which was held in a call account by Lancashire County Council (LCC) as shown in the Year End Treasury Management Outturn report. The reduction reflected the investment in fixed assets, the increase in debtors (referred to earlier) and a reduction in creditors (referred to below).
Current Liabilities			
Other Short-Term Liabilities	(492)	(452)	This related to short term liabilities in respect of the Authorities PFI contracts with PFF Lancashire Ltd and Balfour Beatty Fire and Rescue NW Ltd and in addition the short-term element of finance leases.
Short-Term Creditors*	(9,296)	(12,621)	This figure represented the amount of money the Service owed to other bodies at 31st March 2022. The overall balance had reduced mainly due to the payment of costs associated with the pensionability of allowances.
Long Term Liabilities			
Provisions*	(1,447)	(1,398)	This showed the outstanding

			provisions, relating to the potential cost of outstanding insurance claims, which would have to be met by the Authority in future years, the remaining balance of the Authorities share of billing authorities' business rates outstanding appeals.
Long-Term Borrowing	(2,000)	(2,000)	This represented the amount of long-term debt that the Authority held which did not mature within the next 12 months. The balance of £2.0m was due to mature between 2035-2037.
Other Long-Term Liabilities	(895,652)	(900,205)	The majority of this related to adjustments required under IAS 19 and showed the extent to which the authority's liability to pay pension benefits in the future exceeded the value of assets held. This was particularly significant for the Fire Authority due to the unfunded nature of the fire-fighters pension scheme, resulting in a net liability of £883m. This also included liabilities covering the remainder of the contract associated with the two PFI contracts; <ul style="list-style-type: none"> • PFF Lancashire Ltd for the provision of two fire stations, • Fire and Rescue NW Ltd for the provision of four fire stations within Lancashire, as part of the joint contract to provide sixteen stations across Lancashire, Cumbria, and Merseyside. In addition, this also included liabilities relating to an outstanding finance lease.
Total Assets Less Liabilities	(753,686)	(767,732)	
Financed By			
Usable Reserves:			
Revenue Reserves	(16,278)	(17,233)	This was the level of reserves that the Authority currently held which could be utilised to offset future revenue expenditure, subject to the need to maintaining a prudent level of reserves and any statutory limitations on their

			use. It included the general reserves as well as any earmarked reserves. The reduction in year represented the usage of Covid and Business Rate Relief grants, as referred to in the Year End Revenue Outturn report, and the Usable Reserves and Provisions Outturn report.
Capital Funding Reserve	(17,672)	(17,967)	This reserve held £18.0m of balances to fund future capital expenditure, as referred to in the Year End Capital Outturn and Usable Reserves and Provisions Outturn reports.
Capital Grant Unapplied	(40)	(101)	The capital grant unapplied related to the Authority's share of the NWFC end of year balances.
Usable Capital Receipts Reserve	(1,683)	(1,680)	This represented the proceeds from the sale of fixed assets which was used to finance capital investment. The increase in value representing the sale proceeds for vehicles, as referred to in the Year End Usable Reserves and Provisions Outturn reports.
Unusable Reserves:			
Revaluation Reserve	(56,221)	(47,400)	This account held unrealised revaluation gains, or losses, from holding fixed assets, as such any revaluations that had taken place since 1 April 2007 were reflected in this reserve. These reserves were matched by fixed assets within the Balance Sheet and were not resources available to spend.
Capital Adjustment Account	(39,469)	(38,893)	The Capital Adjustment Account provided a balancing mechanism between the different rates at which assets were depreciated under the Code and were financed through the capital controls system. These reserves were matched by fixed assets within the Balance Sheet and were not resources available to spend.
Pensions Reserve	883,434	887,704	This related to adjustments required under IAS 19, and was a notional reserve required in order to offset the net liability of the Authority in respect of the pension schemes.
Collection Fund Adjustment	776	2,361	This account reflected the net effect of the adjustments required to show the service's share of each billing

Account*			authority's council tax and business rates debtors and creditors at year end.
Accumulated Absences Adjustment Account	839	941	This account represented the value of leave accrued at the year end, but which had not yet been taken, and hence had been carried forward into the new financial year. However, given that the leave year for Fire Fighters ran from January to December leave entitlement was calculated on a pro-rata basis which could distort the overall position. The reduction reflected the increase in leave taken.
	753,686	767,732	

The Director of Corporate Services explained that the Service's net worth was in excess of £100m (excluding the firefighter pension scheme liability).

Cash Flow Statement

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

The main points to note were:-

	2021/22	2020/21	
Net Cash Flows Arising from Operating Activities	1,162	3,388	This showed the level of net cash generated by revenue activities, i.e., the level of income received in the form of grant, council tax etc., offset by payments made in respect of employee costs and non-pay costs etc.
Investing Activities	(4,032)	(6,874)	This showed the cash outflows which had been made for resources that were intended to contribute to the Authority's future service delivery, such as expenditure on capital assets.
Financing Activities	(1,837)	(1,833)	This related to the repayment of long-term debt, including that associated with PFI and finance leases.
Net increase/(decrease) in cash and cash equivalents	(4,707)	(5,319)	This showed the movement in the net cash immediately available within the Authority in a call account with LCC.

Signing of the Draft Statement of Accounts

The unaudited Statement of Accounts were signed by the Treasurer on 5 August 2022 to certify that they presented a true and fair view of the financial position of the Authority as at 31 March 2022.

Subsequently, the full set of accounts were submitted for audit to Grant Thornton.

The Statement of Accounts had now been updated to reflect the changes identified during the audit and had been included in the revised statement of accounts.

Approval and Signing of the Accounts

As all changes requested by Grant Thornton had been made to the accounts. The Treasurer to the Fire Authority and the Chair of the Audit Committee were therefore required to approve the revised accounts by signing off the Statement of Responsibilities and the Balance Sheet.

County Councillor Shedwick highlighted that the report showed that a number of personnel had received pay and benefits of over £50,000. The Director of Corporate Services explained that the number of personnel that received over £50,000 went up marginally every year due to the annual pay rise. However, the significant rise this year was due to the Service's considerable input into the Covid-19 vaccination programme and the cost of paying personnel. The government grant offset the cost although it had pushed some employees into the threshold and it reflected the work of the staff that went above and beyond their contractual obligations to provide support during the pandemic.

In response to a request from County Councillor Hennessy for an explanation of Contingent Liability, the Director of Corporate Services stated that a Contingent Liability was a potential liability which could occur in the future and would have an implication for the Service. It was reflected in a Contingent Liability note rather than as an estimate in the accounts with the liabilities, noted on page 122/123 of the report, relating to pensions.

RESOLVED: - That the Committee approved the Statement of Accounts and authorised the Audit Committee Chairman to sign them.

18/22

RISK MANAGEMENT

The report highlighted actions taken in respect of corporate risk since the last Audit Committee meeting.

The latest review of the corporate risk register had identified one new risk which warranted consideration for inclusion on the corporate risk register:-

The Cyber Security

The Cyber Security threat landscape had changed significantly which had been witnessed globally, regionally and across multiple emergency services and local authorities.

Best practice standards set by the National Cyber security Centre (NCSC) had adapted according to the change in the threat landscape, which meant it was far more challenging to remain compliant.

Government organisations were routinely and relentlessly targeted: of the 777 incidents managed by the National Cyber Security Centre between September 2020 and August 2021, around 40% were aimed at the public sector. This upward trend showed no signs of abating.

The Service had achieved the Cyber Essentials Plus certification, which had to be refreshed every 12 months. The next re certification involved the prompt replacement of aging hardware/software as well as bringing in scope remote working, Wi-Fi security as well as several other areas which had previously been out of scope. The e-mail systems had been fully refreshed and the Service would be migrating all mailboxes to 365 for even better security and feature enhancements.

A Cyber Security Strategy and subsequent options paper had been agreed, identifying areas requiring investment, such as next generation Firewalls. The Service had been aligning with the National Cyber Security Centre best practice security framework and would continue to do so as it developed. It was classed as high-risk due to the scale of attack and the potential impact of such attacks.

An updated corporate risk register was considered by Members with changes summarised in the report. The Director of Corporate Services highlighted the following key areas:-

Risk no. 3 – Insufficient staffing resources

The position regarding the national pay award would continue to be monitored. IMT meetings would continue to be held to review the situation and on-going plans to minimise the risk. The number and location of potential appliances would be identified, and the internal and external communication plans would be developed.

Risk no. 26 – Increase in costs and administration associated with changes to pensions

The Service continued to see extended lead times on the majority of items, as an example LGV fleet vehicle lead times for chassis deliveries was 12-18 months. Costs continued to increase reflecting inflation, with many items increasing at a much higher rate (energy being the most significant of these), where costs had more than doubled.

Risk no. 36 – Increase in pay costs

Pay awards were separately set nationally for green and grey book staff and a 2% award has been estimated in the budget. A pay offer of 5% had been made by the employers in respect of grey book pay. The FBU had recommended that their members reject the offer, and, at the time of writing, the Service was

awaiting the outcome of that. A pay offer of £1925 per FTE had been made by the employer in respect of green book pay. Unison had accepted the offer, however at the time of writing, Unite and GMB were awaiting the outcome of their consultations. Both of those offers significantly exceeded the budget provision and would therefore lead to significant cost pressures in the current and future years budget.

RESOLVED:- That the Audit Committee noted the actions taken and endorsed the revised corporate risk register.

19/22

CONTRACT STANDING ORDERS - PROPOSED AMENDMENTS

The Authority was a Contracting Authority for the purpose of the Public Contracts Regulations 2015 (PCR) and was required to comply with the procedures and award of contracts as set out in those regulations.

Under PCR 2015, “contracting authorities” means, “the state, regional or local authorities, bodies governed by public law or associations formed by one or more such authorities or one or more such bodies governed by public law and includes central government authorities”.

Where those regulations did not apply (for contract values below EU thresholds) the Authority had its own procedures in place in the form of Contract Standing Orders. These formed part of the Constitution along with Financial Regulations and the Scheme of Delegation.

These had been reviewed and updated to reflect current practices, align with the Service’s regional partners, enable resources to be better focused, and were reflective of the current financial and economic climate.

Members considered the amended Contract Standing Order thresholds and amendments highlighted in the report relating to goods, services, consultancy and works, which also reflected current external EU thresholds.

Please note ‘Find a Tender’ replaced OJEU for the UK as part of Brexit arrangements as set out within The Public Procurement (Amendments etc). (EU Exit) Regulations 2020.

FOR ALL GOODS & SERVICES & CONSULTANCY

Up to £25,000:	With the exception of public utility Services i.e electric and periodical payments goods service consultancy may be procured using an official (PO).
Between £25,001 and £75,000:	At least three (3) written request for quotations (RFQ) must be requested. Procurement Depa could assist, best value should be evidenced.

Between £75,001 and £213,477	A Tender process was required with Procurement Department involvement. This would be a ' <u>Non-Find a Tender</u> ' process with a minimum of three (3) invites.
Over £213,477	A Tender process was required with Procurement Department involvement. This would be a ' <u>Find a Tender</u> ' process, Regulations must be followed and with a minimum of three (3) invites. Find high value contracts in the public sector - GOV.UK (www.gov.uk)

FOR ALL WORKS

Up to £50,000	May be purchased using an official order (PO), value should be evidenced.
Between £50,001 and £100,000	At least three (3) written request for quotations (RFQ) must be requested. Procurement Department could assist, best value should be evidenced.
Between £100,001 and £5,336,937	A Tender process was required with Procurement Department involvement. This would be a ' <u>Non-Find a Tender</u> ' process with a minimum of three (3) invites.
Over £5,336,937	A Tender process was required with Procurement Department involvement. This would be a ' <u>Find a Tender</u> ' process, Regulations must be followed with a minimum of three (3) invites. Find high value contracts in the public sector - GOV.UK (www.gov.uk)

All Contracts above £25,000k must still be published as an opportunity on Contracts Finder and a Contract Award notice still to be completed.

[Contracts Finder - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

In addition, it was also proposed to: -

- Increase the Member Tender Panel approval level from £100k to £175k.
- Increase the High Value Procurement Report threshold from £100k to £175k.

Members noted these thresholds had already been discussed with the Chair and Vice-Chair of Resources Committee who were supportive of the proposal.

RESOLVED:- That the Audit Committee approved the amended Contract Standing Order thresholds as outlined in the report.

20/22	<u>DATE OF NEXT MEETING</u>
	<p>The next meeting of the Committee would be held on <u>28 March 2023</u> at 10:00am hours in the Main Conference Room at Lancashire Fire and Rescue Service Headquarters, Fulwood.</p> <p>Further meeting dates were noted for 25 July 2023 and 26 September 2023 and agreed for 28 November 2023.</p>

M NOLAN
Clerk to CFA

LFRS HQ
Fulwood

Lancashire Combined Fire Authority

Meeting to be held on 20 February 2023

Proceedings of Resources Committee held 30 November 2022

(Appendix 1 refers)

Contact for further information:

Diane Brooks, Principal Member Services Officer - Tel: 01772 866720

Executive Summary

The proceedings of Resources Committee meeting held 30 November 2022.

Recommendation(s)

To note the proceedings of Resources Committee as set out at appendix 1 now presented.

Information

Attached at Appendix 1 are the proceedings of the Resources Committee meeting held on 30 November 2022.

Business Risk

Nil

Environmental Impact

Nil

Equality & Diversity Implications

Nil

Financial Risk

Nil

HR Implications

Nil

Local Government (Access to Information) Act 1985

List of background papers

Paper:

Date:

Contact:

Reason for inclusion in Part 2 if appropriate: N/A

Lancashire Combined Fire Authority

Resources Committee

Wednesday, 30 November 2022, at 10.00 am in the Main Conference Room, Service Headquarters, Fulwood.

MINUTES

<u>PRESENT:</u>	
<u>Councillors</u>	
T Williams (Chair)	
D O'Toole (Vice-Chair)	
J Mein	
M Pattison	
S Rigby	
S Serridge	
A Sutcliffe	
R Woollam	

<u>Officers</u>
S Healey, Deputy Chief Fire Officer (LFRS) K Mattinson, Director of Corporate Services (LFRS) E Sandiford, Head of Human Resources (LFRS) J Hutchinson, HR Business Partner (LFRS) J Meadows, LFRS M Nolan, Clerk and Monitoring Officer to the Authority D Brooks, Principal Member Services Officer (LFRS) L Barr, Member Services Officer (LFRS)

<u>In attendance</u>
K Wilkie, Fire Brigades Union

27/22	<u>APOLOGIES FOR ABSENCE</u>
	Apologies were received from County Councillors L Beavers and B Yates.
28/22	<u>DISCLOSURE OF PECUNIARY AND NON-PECUNIARY INTERESTS</u>
	None received.
29/22	<u>MINUTES OF THE PREVIOUS MEETING</u>
	<u>RESOLVED:</u> - That the Minutes of the last meeting held on 28 September 2022 be confirmed as a correct record and signed by the Chairman.

The Director of Corporate Services advised that this report set out the current budget position in respect of the 2022/23 revenue and capital budgets.

Revenue Budget

The overall position at the end of September was an overspend of £0.5m, largely as a result of price increases associated with energy, fuel and property maintenance costs.

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

Area	Overspend / (Under spend) £'000	Reason
Fleet & Technical Services	147	The increase in fuel prices was reflected in the overspend to date. The budget allowed for 12.5% increase in fuel costs, but the actual increase was significantly higher than this, approx. 50%, which equated to approx. £125k. In addition, usage was higher this year than in previous years, reflecting increased activity post pandemic. This gave an overall overspend to date of £75k. In addition, repair costs had increased, reflecting works needed in the first quarter of the year and the increase in costs due to inflationary pressures, currently standing at £75k overspent. Both these areas would remain overspent throughout the remainder of the year, with the latest estimates showing a year end forecast overspend of approx. £275k.
Information Technology	71	The overspend to date was attributable to a combination of the timing of expenditure, with software licenses being paid up front, and a general increase in costs, again reflecting inflationary pressures. This situation was likely to remain throughout the remainder of the year, with a current year end forecast overspend of £100k.
Property	242	The increase in energy prices was reflected in the overspend to date. The budget allowed for 25% increase in fuel costs, but the actual increase was significantly higher than this, approx. 100% in the first half of the year, giving a current overspend of £130k. However, price increases in the second half of the year had again increased significantly, with the current

		<p>forecast showing an increase of approx. 200%. As such a very significant increase would be seen in the overspend in the second half of the year and currently the year end forecast was an overspend of approx. £700k, although it was not clear what impact the Government energy cap would have on this.</p> <p>In addition, the in-year maintenance programme had been 'front loaded', and this coupled with increases in maintenance costs aligned with inflationary pressures, had led to a current overspend of £100k. As a result of the increase in costs and on-going maintenance requirements this was another area that was looking at a year-end overspend, currently forecast at £150k.</p>
Wholetime Pay	15	<p>This was broadly in line with budget, retirements and leavers were broadly in line with forecast, with a slight shortfall in recruit number been offset by increased overtime.</p> <p>Whilst this was broadly in line at the present time, any allowance for the final pay award exceeding the 2% budgeted allowance had not been built in. Based on the existing 5% allowance, this would see an overspend of approx. £750k</p>
On Call Pay	12	<p>This was broadly in line with budget.</p> <p>Whilst this was broadly in line at the present time, any allowance for the final pay award exceeding the 2% budgeted allowance had not built in. Based on the existing 5% allowance, this would see an overspend of approx. £125k</p>
Support staff (less agency staff)	50	<p>The budget was adjusted to take account of the increased level of vacant support posts within the Service. Whilst a number of posts remained vacant, agency staff had been utilised to support some key technical roles within the organisation, resulting in an overspend to date. This would slow down in the second half of the year as vacant posts were recruited thereby reducing the reliance on agency staff.</p> <p>The current position did not allow for the green book pay award, which had now been agreed at £1,925 per full time equivalent. This was significantly higher than the budgeted allowance of 2% and would increase costs over and above budget by approx. £250k by the end of the year.</p>
Apprentice Levy	(20)	<p>The apprentice levy was payable at 0.5% of each month's payroll costs with expenditure slightly less than budgeted.</p>

As highlighted in the report, inflationary pressures were causing costs to increase in several areas, most notably fuel, energy and property costs, approx. £1m of additional pressures. However, more significant than that was the potential costs associated with pay awards, approx. £1.1m more than budgeted. This was partly offset by increased returns on investments, which was currently anticipated generating a surplus of £0.5m. Other areas for delivering savings continued to be reviewed, however it was clear that there would be a very significant overspend at year end, of between £1.0m and £1.5m.

As such reserves would need to be utilised to offset this. £6.0m of general reserves was currently held, having agreed a minimum level of £4.0m, and as such £2.0m of this could be utilised to offset any in year pressures, although clearly this was a short-term measure only.

It was noted that utilising reserves in this manner would also limit the ability to offset financial pressures in 2023/24 and future years.

Capital Budget

Following the slippage agreed at the last Resources Committee the capital budget now stood at £3.3m. Spend to date was just £0.6m as set out in the table below: -

	Spend to 30 September	Year End Forecast	
	£m	£m	
Operational vehicles	-	0.9	As reported previously whilst a significant number of operational vehicles had been ordered (13 pumping appliances, 2 Command Units and an ALP) lead times were such that expenditure had not been incurred in the year to date and were only likely to incur £0.69m by the year end (reflecting agreed staged payments).
Support vehicles	0.1	0.4	This budget allowed for the replacement of various operational support vehicles, whilst some of these had already been delivered, the shortage of raw materials was affecting both the timeframe for delivery and the cost of vehicles. Latest predictions indicated that approx. 50% of the original programme would be completed in year, at a cost of £0.4m.
Operational Equipment	0.1	0.3	Spend to date was attributable to the replacement of light portable pumps. An additional £0.2m was anticipated would be spent on

			CCTV for pumping appliances in-year.
Building Modifications	0.3	0.8	Spend to date was associated with:- <ul style="list-style-type: none"> Enhanced facilities at Hyndburn fire stations, where works had commenced and would be completed by October, with costs to date standing at £0.1m. The replacement of drill towers, where one tower, Blackpool, was completed in June, and where work on replacing two towers, Tarleton and Bolton le Sands, was underway (both were completed and handed over in November), with costs to date of £0.2m.
IT systems	-	0.9	Approximately 50% of the budget related to the placement of Vehicle Mounted Data Systems on appliances, where an order had been placed but no costs had been incurred at the end of September. The balance of the budget related to the replacement of various systems and ICT hardware, in line with the ICT asset management plan. Whilst no costs had been incurred in the year so far, it was highlighted that contracts for several of the systems had been awarded.
Total	0.6	3.3	

The costs to date would be met by revenue contributions.

It was noted that significant cost increases across various supply chains continued to be seen, particularly in construction projects and this would affect some of the capital projects as they progressed through the procurement stage.

In response to questions raised by County Councillor Woollam and County Councillor S Rigby regarding the difficulties in recruiting staff and a timely recruitment process, the Director of Corporate Services advised that this was due to a shortfall of people with the expertise needed to fill some specialist, technical support vacancies. The process of agreeing any changes to the job description, starting the job evaluation process, advertising, recruitment and selection took time and sometimes the process needed to be repeated. In the meantime, agency staff had been used which was more costly. County Councillor O'Toole added that increases in levels of vacancies appeared to be

	<p>more across the public sector, with Lancashire County Council also experiencing the same problems with recruitment.</p> <p>In response to a comment from County Councillor S Rigby regarding the level of reserves falling year on year, the Director of Corporate Services advised that this year the Authority was in a strong position. Future years would be more challenging and would depend on the financial settlement and referendum level for council tax. He advised that in addition to general reserves the Authority also held earmarked reserves and capital reserves. Holding reserves gave time to plan for change such as the Emergency Cover Review. A 5-year financial strategy would be presented to the Authority in February 2023.</p> <p><u>RESOLVED:</u> - That the Committee:</p> <ul style="list-style-type: none"> i) Noted and endorsed the current financial position; and ii) Noted the anticipated year end forecast overspend of between £1.0m and £1.5m.
31/22	<p><u>TREASURY MANAGEMENT MID-YEAR REPORT 2022/23</u></p>
	<p>In accordance with the CIPFA Treasury Management Code of Practice and to strengthen Members' oversight of the Authority's treasury management activities, the Resources Committee received a treasury management mid-year report and a final outturn report. Reports on treasury activity were discussed on a quarterly basis with Lancashire County Council Treasury Management Team and the Authority's Director of Corporate Services and the content of these reports was used as a basis for this report to the Committee.</p> <p><u>Economic Overview</u></p> <p>The economic backdrop during the April to September period continued to be characterised by ongoing high inflation and its impact on consumers' cost of living and the expectation of low growth. There was no imminent end in sight to the Russia-Ukraine hostilities and its associated impact on the supply chain, and China's zero-Covid policy. Subsequently, UK inflation remained extremely high. Annual headline CPI hit 10.1% in July, the highest rate for 40 years, before falling modestly to 9.9% in August. RPI registered 12.3% in both July and August.</p> <p>To combat inflation the Bank of England increased the official Bank Rate to 2.25% over the period. From 0.75% in March, the Monetary Policy Committee (MPC) pushed through rises of 0.25% in each of the following two MPC meetings, before hiking by 0.50% in August and again in September. Current expectations were that the Bank Rate would continue to rise.</p> <p>Over the period the 5-year UK benchmark gilt yield rose from 1.41% to 4.40%, the 10-year gilt yield rose from 1.61% to 4.15%, the 20-year yield from 1.82% to 4.13% and the 50-year yield from 1.56% to 3.25%.</p> <p>The Sterling Overnight Rate (SONIA) averaged 1.22% over the period. 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.</p>

A table in the report, now considered by Members showed the latest forecast for interest rates from Arlingclose.

Inflation pressures facing the UK were being faced by countries throughout the world. In the US inflation hit 9.1% in June, although there was some slight easing in July and August to 8.5% and 8.3% respectively. The Federal Reserve continued its fight against inflation over the period with a 0.5% hike in May followed by three increases of 0.75% in June, July and September, taking policy rates to a range of 3% - 3.25%.

Treasury Management position and Policy

The underlying need to borrow for capital purposes was measured by the Capital Financing Requirement (CFR), while usable reserves and working capital were the underlying resources available for investment. The treasury management activity was influenced both by the position at the beginning of the year and the plans in year. The position at the start of the financial year was summarised in the report indicating that the level of loans was above the borrowing requirement. 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. This had resulted in the CFR being reduced but due to early repayment charges it had not been financially beneficial to repay three loans.

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

Borrowing

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

The long-term debt outstanding of £2m was from the Public Works Loan Board. The report showed the maturity profile of the Authority's borrowings, along with the interest rate paid.

There needed to be consideration for the early repayment of the loans, which would be subject to an early repayment (premium) charge. Previous reports on treasury management activities had reported that the premium (approximately £0.8m) and the potential loss of investment income had been greater than the savings made on the interest payments therefore, it had not been considered financially beneficial to repay the loans especially with the potential for increased interest rates. However, the estimated premium charge to repay the three loans was currently £0.100m; reflecting the significant increase in base rate. To offset the net savings on repaying the loans it was estimated that future interest on investments over the remaining period of the loans would need to be 4.1%. If it was estimated that investment interest rates would be lower than this then it may be beneficial to repay the loans, however, current forecasts indicated future base rates in excess of this.

Investments

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

The Authority principally invested in a call account provided by Lancashire County Council (LCC) which paid the base rate. Each working day the balance on the Authority's Current Account was invested in this to ensure that interest was received on surplus balances within an acceptable risk framework. During the period all new investments were placed with the County Council via this arrangement. At 30 September there was a balance of £36.055m invested in LCC while the average for the period was £35.187m. The current rate for these investments had increased to 2.25% on 22 September. At the beginning of the financial year the rate was 0.75%.

In addition, in order to increase the rate earned on current balances, the Authority had placed fixed investments with other local authorities. To attract a higher rate of interest than was available on the call account these investments would need to be fixed for a longer period of time. The report identified the investments that had been in place during the year. At 30 September there was £5m fixed term investment in place, therefore the total investment held at 30 September was £41.055m. The overall rate of interest earned during this period was 1.49% which was favourable when compared with the benchmark 7-day index which averaged 1.30% over the same period.

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

Members noted that 2 further fixed term investments with other Local Authorities had now been taken out as follows:-

Start date	End date	Principal	Rate	Annual interest	Interest in 2022/23
27/10/2022	26/10/2023	£5m	3.30%	£165k	£71k
07/10/2022	06/10/2024	£5m	4.00%	£200k	£96k

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

Period	Interest rate	Additional return per annum compared with current base rate for £5m investment
6 months	3.50%	£62.5K
1 year	4.36%	£105.5k
2 year	4.66%	£120.5k
3 year	4.77%	£126.0k

Prudential Indicators

In order to control and monitor the Authority's treasury management functions a number of prudential indicators were determined against which performance may be measured. At its meeting on 22 February 2022 the Authority approved the indicators for 2022/23 which were detailed in the report alongside the current actual.

Revenue Budget Implications

The 2022/23 revenue budget for treasury management activity showed that anticipated income exceeded expenditure by £200k. Taking into account the activity for the first six months of the year and estimated cash-flow for the remainder of the year the latest forecast was as below:

	2022/23	2022/23	2022/23
	Budget	Forecast	Variance
	£m	£m	£m
MRP	0.010	0.000	(0.010)
Interest payable	0.090	0.090	(0.000)
Interest receivable	(0.300)	(0.770)	(0.470)
Net budget	(0.200)	(0.680)	(0.480)

The interest receivable was above budget as the balances and interest rates were higher than anticipated when setting the budget. The forecast assumed interest rates on the call account averaged 3% for the remainder of the financial year.

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

32/22

SUB-SURFACE RESCUES USING REMOTELY OPERATED VEHICLES

The Deputy Chief Fire Officer presented the report.

In March 2021, the National Fire Chiefs Council (NFCC) published a position statement entitled "Rescues of submerged casualties" which included the following:

"The HSE have indicated that not preparing for a foreseeable risk, including rescues of submerged casualties, is unacceptable. Fire and rescue services may face action if they are found to be exposing their staff to a situation that involves an intervention to save a submerged casualty. Operational discretion is not seen as applicable in circumstances that require actions not supported by legislation, policy and procedure, when there is evidence to support this is foreseeable."

NFCC position: "Unless services are able to address the identified gap in the required resources, equipment, training, and the actions that are required to remain compliant with legislation, when attending an incident involving a casualty that is submerged – All rescues of a submerged casualty should be taken from the land, the surface of the water or by personnel in the water maintaining the correct levels of Personal Protective Equipment (PPE)."

Rescuers should be competent to risk assess and carry out rescues and should maintain the correct levels of PPE. Operational discretion should not be used to remove PPE, enter confined spaces underwater or act outside of service policy to go underwater.

There may be specific sub-surface situations that can be controlled to allow a rescue attempt. These situations will usually be when the casualty is visible and submerged in shallow water. The NFCC will consider future National Operational Learning cases but are unlikely to re-evaluate existing guidance unless they include new evidence, alternative safe systems of work or equipment, or other technical solutions that are deemed as a potential improvement in this matter.”

Lancashire Fire and Rescue Service (LFRS) Response

LFRS sought to minimise the impact of this necessary operational restriction through investment in Swift Water Rescue Technician (SRT) equipment such as reach poles. This only went a short way in closing the capability gap that existed for submerged casualties.

Remotely Operated Vehicles (ROVs)

A ROV normally involved a small submersible that housed a battery, propellers, and a camera with high powered lighting. It was connected to the land via a tether cable which carried the command wire. The controller was held by the pilot on the bankside.

In order to fully close this gap, the Drone Team secured a small amount of investment from the Research and Development group (c.£3,000) for an underwater ROV in order to conduct feasibility trials, to prove concept. The purpose of its use was to assess its potential for life saving operations and to identify a list of necessary requirements for a fully capable unit. According to national guidance, as set out in the report, a recently submerged person could present a viable rescue for up to 90 minutes. During that time Fire and Rescue Services and other Blue Light responding partners must be seen to be responding or there was a likelihood that others would intervene.

Research Findings

The LFRS ROV, manufactured by FiFish, was procured for less than £3k, but was capable of demonstrating most of the basic functions of the more expensive industrial ROVs. Importantly it had a claw which could be operated by the pilot.

In order to get a wider understanding, LFRS attended a ROV expo in London and invited two of the largest manufacturers – FiFish and Deeptrekker to demonstrate a number of their ROV models at Fleetwood Campus.

In order to improve LFRS’ understanding of Sound Navigation and Ranging (SONAR) the team also visited Blueprint Subsea in Ulverston who allowed LFRS pilots to use SONAR equipped ROVs in Lake Windermere. The company was very helpful and provided a number of recovery videos to the team to show how casualties were located in real life.

All of the models investigated had a long battery life in excess of 90 minutes. Some were more rugged than others, but several important requirements were

identified beyond the anticipated operational requirements. These were:

Vision

The degree of detritus in the water severely limited normal camera vision, and high-powered lighting (an absolute necessity at night) could further exacerbate rather than solve this problem, similar to using high beam headlights in the fog. During trials the ROV was able to locate a child dummy casualty at the bottom of Rivington Reservoir in good, clear and still water. It was noted though as the operation went on that the propellers quickly stirred up sediment and vision became poor. This was a conceivable scenario for rescues even in excellent conditions. Search was therefore very difficult with normal cameras either day or night.

Requirement: An ROV requires SONAR in order to search and 'see' through the water. SONAR is particularly valuable in identifying air voids in the water created by recently submerged casualties.

Positioning

ROVs cannot access GPS underwater. It was possible however, to know the depth via a barometer and the aspect (the direction the ROV is facing) via a compass. The tether cable was buoyant so it was feasible to get an approximate location of the ROV on a straight run underwater from shore. An available option was to surface the ROV which was not ideal practice once a casualty had been located.

Requirement: An underwater positioning system is required in order to gain precise location data for a casualty. This has a number of other benefits in that the ROV calculates where it is and can stabilise this position accurately against water flows. The positioning system can enable systematic search patterns to be employed by operators (i.e., we know exactly where the ROV has been and where it is going).

Casualty Recovery to Surface

No easily transportable ROV can bring a submerged casualty to the surface using just power from propellers. This idea was quickly dismissed during trials. A number of factors can influence the difficulty in raising a person, including size, weight, clothing, buoyancy and water current. The team looked into the feasibility of attaching and operating items such as air lifting bags. Attaching recovery systems was very difficult with the claw operating in good visibility and no current. The only realistic chance of success was to attach the ROV onto the casualty (or more likely their clothing) using an interlocking claw to allow proper grasp. This was confirmed as being in use for body recovery in other parts of the world. A manual hauling from above/alongside via the tether cable would then be required.

This 'grab and retrieve' method was achieved during the trials at Fleetwood Nautical Campus with a higher rated ROV model (the current LFRS £3k ROV did not have sufficient strength in claw or tether cable). It must be noted that moving a casualty was easier from land (i.e., at a low angle) rather than from directly above which meant lifting the weight of the casualty and the ROV. Much of the recovery involved getting momentum established in the first instance. It

was likely that a recently submerged casualty would be more buoyant than the weights/dummies used in trials.

Requirement: An ROV must have a sufficiently strong claw grasp & tether cable in order to raise a submerged casualty by manual means from bankside/boat.

Operation

Operating a ROV in a 3D 'blind' environment such as murky water was a challenging proposition. The drone pilots were used to operating without sight of an aerial drone but the ROV brought another dimension in that it was able to rotate vertically to face upwards or downwards. Some ROVs such as the FiFish could fully rotate in all three directions and on a number of occasions the ROV was upside down without the pilot being aware of its aspect. Other ROVs were demonstrated however, that stayed level with the surface and the camera rotated on a gimbal much like an aerial drone. This was far more controllable for the pilot and much more suitable for systematic searches.

Requirement: The ROV needs to have a simple operation method which eliminates the ability for the ROV to rotate vertically, giving the ability to carry out systematic searches.

Control

ROVs were provided with a controller for the pilot to operate. In the case of the LFRS FiFish ROV, a simple controller was provided and a smart phone was used to see the camera feed via an app connected by wi-fi. The controller's simplicity added to pilot confusion as many of the commands and settings were located on an app instead. The use of a smartphone to operate the ROV was understandable due to its costs, but the app often required a reset during operations. LFRS had learned this limitation already with drones and thus used standalone, manufacturer-built controllers for its operational drones. In trialling SONAR, it was noted that some manufacturers did not integrate the sonar output into the controller, and a laptop or similar device was also required.

Requirement: The ROV needs to be provided with a manufacturers specific controller which integrates all of its functions and imagery.

Recommendation

LFRS had deployed a ROV three times to incidents (as at 11/2022) over the 2022 summer period in order to assist rescue teams in recovering casualties from under the water. All three incidents demonstrated the value in deploying the ROV. Unfortunately, these incidents also demonstrated the ineffectiveness of the existing subsurface rescue. In fact, a submerged casualty was located within seconds of the first ever ROV deployment despite extensive searches already having taken place by crews and other agencies.

In order to deliver a realistic search and casualty recovery capability Fire and Rescue Services would need to deploy a ROV currently costing in the region of £70-80k. The complex nature of operations would require a significant investment in training for SRT or boat crews, but much less so with the Drone

Pilots who had immediately transferable skills. The ability for the ROV to search for objects in addition to casualties should not be overlooked in this regard.

Therefore, the recommendation was for the Combined Fire Authority to support the procurement of a higher capability subsurface ROV, thereby enabling the Service to become the first nationally to have improved underwater body location and potential rescue capability.

An investment of around £80,000 was anticipated which would be funded from the existing innovation budget and be built in to the capital programme, if approved. The deployment of this would place additional pressures on the Drone Teams revenue budget, which was currently overspent. A review of its deployment was currently underway to ensure it was only mobilised where required.

County Councillor O'Toole had been impressed at a demonstration of the drones recently at the Strategy Day. He commented that during his tenure of office, the Authority ensured its firefighters had the best equipment and he considered the underwater drone to be essential.

County Councillor Woollam queried who would be trained to use the underwater drone. In response the Deputy Chief Fire Officer advised that the Service had an on-call drone team which operated the aerial drone. They were responsible for doing the feasibility trials for the underwater drone and had been working with the manufacturing company to undertake further trials. It would be that team which would deploy the underwater drone to approximately 10 – 20 incidents per year.

County Councillor S Rigby queried how the overspent budget (as detailed on page 34 of the agenda pack) would be managed. In response, the Deputy Chief Fire Officer advised that the overspend related to the aerial drone and the development of the new Drone Team. Previously the deployment of the aerial drone was by full time officers who also carried out fire investigations. Due to the number of deployments the workload was too much therefore a separate team was set up. As the aerial drone was new and innovative everyone requested it. The drone team were now managing a process to ensure it was only deployed where it could add value / benefit.

Councillor Williams queried if other Fire and Rescue Services were also interested in procuring underwater drones, whether there was the potential for a national preferred supplier which would bring financial benefits. In response, the Deputy Chief Fire Officer advised that the Service's Drone Manager chaired the NFCC National Tactical Group and Lancashire was leading the way regarding the use of aerial drones. To move to underwater capability provided an additional opportunity to do something others were not doing. Alternative suppliers had been considered and there had been a lot of interest in the underwater drone from other Fire and Rescue Services however, not all were in a position where they could currently invest.

RESOLVED: - That a high-specification Remotely Operated Vehicle be procured from the innovation budget at a cost of circa £80,000 and this be built into the

	capital programme.
33/22	<u>DATE AND TIME OF NEXT MEETING</u>
	<p>The next meeting of the Committee would be held on Wednesday <u>29 March 2023</u> at 1000 hours in the Main Conference Room at Lancashire Fire and Rescue Service Headquarters, Fulwood.</p> <p>Further meeting dates were noted for 12 July 2023 and 27 September 2023 and agreed for 29 November 2023.</p>
34/22	<u>EXCLUSION OF PRESS AND PUBLIC</u>
	<p>County Councillor Pattison left the meeting at this point.</p> <p><u>RESOLVED</u>: - 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.</p>
35/22	<u>PENSIONS UPDATE (STANDING ITEM)</u>
	<p>(Paragraphs 4 and 5)</p> <p>Members considered a report that provided an update on the various issues which had arisen in respect of the changes to the pension schemes applying to the uniformed members of the Fire Sector.</p> <p><u>RESOLVED</u>: - That the report be noted.</p>
36/22	<u>REQUEST FOR EXTENSION OF PAID SICK LEAVE</u>
	<p>(Paragraphs 1 and 2)</p> <p><u>RESOLVED</u>: - That the Committee approved the Chief Fire Officer's recommendation as outlined in the report.</p>
37/22	<u>HIGH VALUE PROCUREMENT PROJECTS</u>
	<p>(Paragraph 3)</p> <p>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.</p> <p><u>RESOLVED</u>: That the Committee noted the report.</p>

38/22	<u>URGENT BUSINESS (PART 2) - EXECUTIVE BOARD SUCCESSION ARRANGEMENTS</u>
	<p>(Paragraph 1)</p> <p>Members received an update from the Clerk to the Authority on the appointment of Treasurer / Director of Corporate Services by the Resources Sub-Committee Appointments Panel.</p> <p><u>RESOLVED</u>: - That the report be noted and endorsed.</p>

LFRS HQ
Fulwood

M NOLAN
Clerk to CFA

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Lancashire Combined Fire Authority

Meeting to be held on 20 February 2023

Proceedings of Performance Committee held 14 December 2022

(Appendix 1 refers)

Contact for further information:

Diane Brooks, Principal Member Services Officer - Tel: 01772 866720

Executive Summary

The proceedings of Performance Committee meeting held 14 December 2022.

Recommendation(s)

To note the proceedings of Performance Committee as set out at appendix 1 now presented.

Information

Attached at Appendix 1 are the proceedings of the Performance Committee meeting held on 14 December 2022.

Business Risk

Nil

Environmental Impact

Nil

Equality & Diversity Implications

Nil

Financial Risk

Nil

HR Implications

Nil

Local Government (Access to Information) Act 1985

List of background papers

Paper:

Date:

Contact:

Reason for inclusion in Part 2 if appropriate: N/A

LANCASHIRE COMBINED FIRE AUTHORITY

PERFORMANCE COMMITTEE

Wednesday, 14 December 2022, at 10.00 am in the Main Conference Room, Service Headquarters, Fulwood.

MINUTES

<u>PRESENT:</u>	
<u>Councillors</u>	
R Woollam (Chair)	
P Rigby (Vice-Chair)	
L Beavers	
A Kay	
Z Khan	
D Smith	
B Yates	

In accordance with the resolution of the predecessor Performance Review Committee at its inaugural meeting on the 30th July 2004 (Minute No. 1/04 refers), representatives of the LFRS, the Unions and Audit had been invited to attend all Performance Committee meetings to participate in discussion and debate.

<u>Officers</u>	
J Charters, Assistant Chief Fire Officer (LFRS) M Winder, Area Manager, Head of Service Delivery (LFRS) M Hamer, Area Manager, Prevention and Protection (LFRS) J Rossen, Area Manager, Head of Service Delivery (LFRS) A Hewitt, Prevention Support Manager (LFRS) L Barr, Member Services Officer (LFRS)	
<u>In attendance</u>	
G Basson, North West Fire Control	
15/22	<u>APOLOGIES FOR ABSENCE</u>
	Apologies were received from County Councillors H Khan and T Hurn and Councillor J Rigby.
16/22	<u>DISCLOSURE OF PECUNIARY AND NON-PECUNIARY INTERESTS</u>
	None received.

17/22	<u>MINUTES OF PREVIOUS MEETING</u>
	<u>RESOLVED</u> : - That the Minutes of the last meeting held on 14 September 2022 be confirmed as a correct record and signed by the Chairman.
18/22	<u>PERFORMANCE MANAGEMENT INFORMATION</u>
	<p>The Assistant Chief Fire Officer presented a comprehensive report to the Performance Committee. This was the 2nd quarterly report for 2022/23 as detailed in the Community Risk Management Plan 2022-2027.</p> <p>This quarter, 3 Performance Indicators (KPIs) were shown in negative exception. These were 1.2.1 Staff Absence Wholetime (WT), 1.2.3 Staff Absence Greenbook, and 3.3.2 Fire Engine Availability On-Call Shift Systems.</p> <p>Members examined each indicator in turn focusing on those KPIs in exception as follows:</p> <p>KPI 1 – Valuing our people so that they can focus on making Lancashire safer</p> <p>1.1 <u>Overall Staff Engagement</u></p> <p>Members received an update on how staff were engaged during the period.</p> <p>From July to September 2022, staff engagement centred on informing and involving people in relation to the emergency cover review (ECR) consultation. An extended version of the public consultation survey was created specifically for members of staff which included more detailed questions to collect their feedback on the proposals. The survey was available online and via paper copies. Twenty-seven staff engagement sessions with firefighters were held throughout the consultation period plus additional sessions with managers.</p> <p>Sixteen station visits were carried out by principal officers and Area Managers during the period, along with 33 wellbeing interactions which included wellbeing support dog interactions, health and wellbeing workshops and traumatic incident briefings. The Service also engaged with staff in matters relating to vehicles and equipment including replacement of tactical PPE and breathing apparatus; road traffic collision tools and equipment; and climate change vehicles.</p> <p>1.2.1 <u>Staff Absence Wholetime</u></p> <p>This indicator measured the cumulative number of shifts (days) lost due to sickness for all wholetime staff divided by the total average strength.</p> <p>Annual Standard: Not more than 5 shifts lost. Annual Shifts Lost ÷ 4 quarters: 1.25</p> <p>Cumulative total number of shifts lost: 4.513</p>

The negative exception report was due to the number of shifts lost through absence per employee being above the Service target for quarter 2 as it was half way through the year. It was noted that the Office of National Statistics (ONS) reported nationally that absence rates were high across public services.

During quarter 2, July to September 2022, absence statistics showed Whole-time personnel absence above target for the quarter.

1,542 Wholetime absence shifts lost = 2.54 against a target of 1.25.

There were 2 cases of long-term absence which spanned over the total of the 3 months; the reasons being:

- Mental health – Work related – 1 case
- Gastro-intestinal (abdominal pain, vomiting, diarrhoea) – 1 case

There were 34 other cases of long-term absence also recorded within the 3 months:

- Hospital / post operative – 9 cases
- Mental health (Other) – 5
- Musculo skeletal (Back) – 4
- Mental health (stress) – 3 cases
- Heart, cardiac & circulatory problems – 2 cases
- Covid-19 Coronavirus (sickness) – 2 cases
- Cause known, but not specified – 1 case
- Gastro-Intestinal (abdominal pain, vomiting, diarrhoea) – 1 case
- Cancer and tumours – 1 case
- Respiratory (cold, cough, influenza) – 1 case
- Musculo Skeletal (upper limb) – 1 case
- Musculo Skeletal (lower limb) – 1 case
- Musculo Skeletal (other, unable to define) – 1 case
- Skin Condition – 1 case
- Virus/Infectious diseases – 1 case

To improve performance, the Service aimed to continue with:

- Early intervention by Occupational Health Unit (OHU) doctor / nurse / physiotherapist.
- Human Resources (HR) supporting managers in following the Absence Management Policy managing individual long-term cases, addressing review periods / triggers in a timely manner and dealing with capability of staff due to health issues.
- To be included again within the leadership conference to assist future managers' understanding and interpretation of the policy.
- Encouraging employees to make use of our Employee Assistance Programme provider Health Assured and The Firefighters Charity.
- HR to be in attendance at Stress Risk Assessment meetings, to support managers and to offer appropriate support to the employee along with

signposting.

- OHU to organise health checks for individuals on a voluntary basis.
- Support from Service Fitness Advisor / Personal Training Instructors (PTIs).
- Promotion of health, fitness / and wellbeing via the routine bulletin and Employee Assistance Programme.

1.2.2 Staff Absence On-Call (OC)

This indicator measured the percentage of contracted hours lost due to sickness for all on-call contracted staff.

Annual Standard: No more than 2.5% lost as a % of available hours of cover.

Cumulative on-call absence (as a % of available hours cover) at the end of the quarter, 1.84%.

1.2.3 Staff Absence Greenbook

This new indicator measured the cumulative number of shifts (days) lost due to sickness for all green book support staff divided by the average strength.

Annual Standard: Not more than 5 shifts lost.

Annual Shifts Lost ÷ 4 quarters: 1.25

Cumulative shifts lost: 3.053

The negative exception report was due to the number of shifts lost through absence per employee being above the Service target for quarter 2.

During quarter 2, July to September 2022, absence statistics showed non-uniformed personnel above target for the quarter.

329 non-uniformed absence shifts lost = 1.57 against a target of 1.25

There was 1 case of long-term absence which spanned over the total of the 3 months; the reason being:

- Cardiovascular – 1 case

There were 5 other cases of long-term absence which were also recorded within the 3 months:

- Hospital / post operative – 2 cases
- Heart, Cardiac & Circulatory problem – 1 case
- Cancer and tumours – 1 case
- Covid-19 coronavirus (sickness) – 1 case

To improve performance, the Service aimed to continue with:

- Early intervention by Occupational Health Unit (OHU) doctor / nurse / physiotherapist.
- Human Resources (HR) supporting managers in following the Absence Management Policy managing individual long-term cases, addressing review periods / triggers in a timely manner and dealing with capability of staff due to health issues.
- To be included again within the leadership conference to assist future managers' understanding and interpretation of the policy.
- Encouraging employees to make use of our Employee Assistance Programme provider, Health Assured, and the Fire Fighters Charity.
- HR to be in attendance at Stress Risk Assessment meetings, to support managers and to offer appropriate support to the employee along with signposting.
- OHU to organise health checks for individuals on a voluntary basis.
- Promotion of health, fitness and wellbeing via the routine bulletin and Employee Assistance programme.

The Assistant Chief Fire Officer advised that the Service had robust HR practices across all levels within the Service. HR, Occupational Health, and the Service Fitness Advisor worked closely together to support individuals in restoring their health for returning to work.

In response to a question raised by County Councillor Kay regarding the process of returning to work from a long-term illness, the Assistant Chief Fire Officer advised that the Service eased individuals back to work on modified duties tailored around their condition; rebuilding confidence and competence in line with medical advice. He added that the 'Fit to Ride' programme helped refresh firefighter skills.

1.3.1 Workforce Diversity

This new indicator measured diversity as a percentage.

Combined diversity percentage of grey book (operational) and green book (support) staff:

Gender:	Female 19%	Male 81%	
Ethnicity:	BME 4%	Not stated 3%	White 93%
Sexual Orientation:	LGBT 3%	Heterosexual 47%	Not stated 50%
Disability:	Disability 3%	No disability 94%	Not stated 3%

Separate diversity percentage of grey book (operational) and green book (support) staff:

Gender:	Female	Grey book 8%	Green book 59%
	Male	Grey book 92%	Green book 41%
Ethnicity:	BME	Grey book 3%	Green book 7%
	White	Grey book 95%	Green book 87%
	Not stated	Grey book 2%	Green book 6%

Sexual Orientation: LGBT	Grey book 3%	Green book 3%
Heterosexual	Grey book 46%	Green book 50%
Not stated	Grey book 51%	Green book 47%

Disability: Disability	Grey book 3%	Green book 4%
No disability	Grey book 95%	Green book 89%
Not stated	Grey book 2%	Green book 7%

1.3.2 Workforce Diversity Recruited

This new indicator measured workforce diversity recruited as a percentage.

Combined diversity percentage of grey book (operational) and green book (support) staff:

Gender:	Female 35%	Male 65%	
Ethnicity:	BME 0%	White 95%	Not Stated 5%
Sexual Orientation:	LGBT 16%	Heterosexual 73%	Not stated 11%
Disability:	Disability 3%	No disability 94%	Not stated 3%

During quarter 2, there were a total of 37 new recruits. It was noted that a further breakdown of the data would not be provided as it may enable the identification of individuals, due to the small numbers of recruits during certain periods.

1.4 Staff Accidents

This indicator measured the number of accidents which occurred to staff members at work within the quarter: Wholetime, On-Call and Greenbook.

Total number of staff accidents, year to date 33; previous year to date 44
 Quarterly activity increased 8.70% over the same quarter of the previous year.

KPI 2 - Preventing, fires and other emergencies from happening and Protecting people and property when fires happen

2.1 Risk Map Score

This indicator measured the fire risk in each Super Output Area, of which there were 942. Risk was determined using fire activity over the previous 3 fiscal years along with a range of demographic data, such as population and deprivation. The County risk map score was updated annually and presented to the Performance Committee in the quarter 1 reporting period.

Annual Standard: To reduce the risk in Lancashire – an annual reduction in the County risk map score.

$(\text{Dwelling Fires} \div \text{Total Dwellings}) + (\text{Dwelling Fire Casualties} \div \text{Resident Population} \times 4) + \text{Building Fire} + (\text{IMD} \times 2) = \text{Risk Score.}$

The current score was 31,576 and the previous year's score was 31,862 which meant that the fire risk continued to reduce.

2.2 Overall Activity

This indicator measured the number of incidents that LFRS attended with one or more pumping appliances. Incidents attended included fires, special service calls, false alarms and collaborative work undertaken with other emergency services i.e.: missing person searches on behalf of the Police and gaining entry incidents at the request of the Ambulance Service.

Incidents attended, year to date 10,286; previous year to date 9,853
Quarterly activity increased 8.41% over the same quarter of the previous year.

In quarter 2, the Service attended 5,386 incidents. The report presented a chart which represented the count and percentage that each activity had contributed to the overall quarter's activity:

- Total False Alarm Calls (due to apparatus, good intent and malicious) – 2420, 45%
- Total Primary Fire Calls (accidental dwelling / building and deliberate dwelling / commercial fires and other primary fires) – 511, 10%
- Total Secondary Fire Calls (deliberate and accidental fires) – 1298, 24%
- Total Special Service Calls (critical incidents, gaining entry, RTCs, Flooding and other critical incidents) – 1139, 21%

The Assistant Chief Fire Officer highlighted that a paper would be taken to the Planning Committee early next year which would propose to extend the revised Automatic Fire Alarm Attendance policy to a 24-hour period as the data from April 2022 to date, had been positive.

2.3 Accidental Dwelling Fires (ADF)

This indicator reported the number of primary fires where a dwelling had been affected and the cause of the fire had been recorded as 'Accidental' or 'Not known'.

Members noted that a primary fire was one involving property (excluding derelict property) or any fires involving casualties, rescues or any fire attended by 5 or more pumping appliances.

Accidental Dwelling Fires, year to date 407; previous year to date 432
Quarterly activity increased 4.10% over the same quarter of the previous year.

2.3.1 ADF – Harm to people: Casualties

This indicator reported the number of fire related fatalities, slight and serious injuries at primary fires where a dwelling had been affected and the cause of fire had been recorded as 'Accidental or Not known'.

A slight injury was defined as; a person attending hospital as an outpatient (not precautionary check). A serious injury was defined as; at least an overnight stay in hospital as an in-patient.

Fatal, year to date 4; previous year to date 1
Injuries appear Serious, year to date 6; previous year to date 5
Injuries appear Slight year to date 7; previous year to date 17

Quarterly activity decreased 23.08% over the same quarter of the previous year.

2.3.2 ADF – Harm to property: Extent of damage (fire severity)

This indicator reported the number of primary fires where a dwelling had been affected and the cause of fire had been recorded as 'Accidental' or 'Not known'.

Extent of fire, heat and smoke damage was recorded at the time the 'stop' message was sent and included all damage types.

The table in the report showed a breakdown of fire severity with a directional indicator that compared:

- current quarter, combined percentage of 89% against
- same quarter of the previous year, combined percentage of 87%.

Combined quarterly percentage had therefore increased 2% over the same quarter of the previous year.

2.4 Accidental Building Fires (ABF) (Commercial Premises)

This indicator reported the number of primary fires where a building had been affected (which was other than a dwelling or a private building associated with a dwelling), and the cause of fire had been recorded as 'Accidental' or 'Not known'.

ABF (Commercial Premises), year to date 140; previous year to date 142

Quarterly activity increased 5.88% over the same quarter of the previous year.

The Assistant Chief Fire Officer explained that performance had been sustained due to the extensive work that had taken place with the Community Safety Partnerships, employing a partnership approach to identify and triage empty properties to make them secure.

2.4.1 ABF (Commercial Premises) – Harm to property: Extent of damage (fire severity)

This indicator reported the number of primary fires where a building had been affected (which was other than a dwelling or a private building associated with a dwelling), and the cause of fire had been recorded as 'Accidental' or 'Not known'.

Extent of fire, heat and smoke damage was recorded at the time the 'stop'

message was sent and included all damage types.

The table in the report showed a breakdown of fire severity with a directional indicator that compared:

- current quarter, combined percentage of 69% against
- same quarter of the previous year, combined percentage of 76%.

Combined quarterly percentage had therefore decreased 7% over the same quarter of the previous year.

2.5 Accidental Building Fires (Non-Commercial Premises)

This indicator reported the number of primary fires where a private garage, private shed, private greenhouse, private summerhouse, or other private non-residential building had been affected and the cause of fire had been recorded as 'Accidental' or 'Not known'.

ABF (Non-Commercial Premises), year to date 51; previous year to date 52
Quarterly activity remained static against the same quarter of the previous year.

2.5.1 ABF (Non-Commercial premises: Private garages and sheds) – Harm to property: Extent of damage (fire severity)

This indicator reported the number of primary fires where a private garage, private shed, private greenhouse, private summerhouse, or other private non-residential building had been affected and the cause of fire had been recorded as 'Accidental' or 'Not known'.

Extent of fire, heat and smoke damage was recorded at the time the 'stop' message was sent and included all damage types.

The table in the report showed a breakdown of fire severity with a directional indicator that compared:

- current quarter, combined percentage of 22% against
- same quarter of the previous year, combined percentage of 30%.

Combined quarterly percentage had therefore decreased 8.7% over the same quarter of the previous year.

2.6 Deliberate Fires Total: Specific performance measure of deliberate fires

This new indicator provided an overall measure of primary and secondary fires where the cause of fire had been recorded as deliberate.

Deliberate Fires – Total, year to date 1,467; previous year to date 1,174
Quarterly activity increased 43.39% over the same quarter of the previous year.

2.6.1 Deliberate Fires – Dwellings

This indicator reported the number of primary fires where a dwelling had been affected and the cause of fire had been recorded as deliberate.

Deliberate Fires – Dwellings, year to date 36; previous year to date 57
Quarterly activity decreased 33.33% over the same quarter of the previous year.

2.6.2 Deliberate Fires - Commercial Premises

This indicator reported the number of primary fires where the property type was a building, other than a dwelling or a private building associated with a dwelling, and the cause of fire had been recorded as deliberate.

Deliberate Fires – Commercial Premises, year to date 53; previous year to date 78.

Quarterly activity decreased 41.67% over the same quarter of the previous year.

2.6.3 Deliberate Fires – Other (rubbish, grassland, vehicles etc).

This indicator reported the number of primary and secondary fires where the property type was other than a building, except where the building was recorded as derelict, and the cause of fire had been recorded as deliberate.

The majority of deliberate fires were outdoor secondary fires and included grassland and refuse fires. Derelict vehicle fires were also included under secondary fires.

Deliberate Fires – Other, year to date 1,378; previous year to date 1,039
Quarterly activity increased 55.36% over the same quarter of the previous year.

Members were informed that there had been a spike in deliberate fires in Hyndburn and South Ribble. The Assistant Chief Fire Officer confirmed that the Community Protection Manager and Group Managers in those areas worked with partners to help identify hotspot areas and provided/obtained support with the aim of preventing future incidents.

2.7 Home Fire Safety Checks

This indicator reported the percentage of completed Home Fire Safety Checks (HFSC), excluding refusals, carried out where the risk score had been determined to be high.

An improvement was shown if:

- the total number of HFSC's completed was greater than the comparable quarter of the previous year; and
- the percentage of high HFSC outcomes was greater than the comparable quarter of the previous year.

HFSCs completed, year to date 10,427; previous year to date 7,590.
Quarterly activity increased 37.1% over the same quarter of the previous year.

HFSCs with high-risk outcomes, year to date 59%; previous year to date 68%
Quarterly activity decreased 9.0% over the same quarter of the previous year.

2.8 Numbers of prevention activities such as Childsafe, wasted lives etc

Members received an update on the number of sessions delivered against the following prevention activities during the quarter:

ChildSafe,	55 sessions delivered to 1,561 attendees;
RoadSense,	26 sessions delivered to 845 attendees;
SENDSafe,	4 sessions delivered to 79 pupils;
Wasted Lives,	4 sessions delivered to 176 pupils;
Biker Down,	3 sessions delivered to 52 attendees;
FIRES,	37 completed referrals;
Partner Training,	58 organisations/agencies – 179 people.

Specific Education packages – delivered Water Safety, ASB, Deliberate Fire Setting etc (Covers key stages 2, 3 and 4), across 67 sessions, delivered to 4,713 young people.

Arson Threat Referrals - 199.

2.9 Fire Safety Activity (including Business Fire Safety Checks)

This indicator reported the number of Fire Safety Enforcement inspections carried out within the period which resulted in supporting businesses to improve and become compliant with fire safety regulations or where formal action of enforcement and prosecution had been taken for those that failed to comply.

An improvement was shown if the percentage of audits that required formal activity was greater than the comparable quarter of the previous year.

Total Fire Safety Enforcement Inspections, Quarter 2, 576;
Formal Activity in Quarter 2, 9%, same quarter of the previous year 6%.
Quarterly activity increased 3% over the same quarter of the previous year.

Members noted the cumulative number of Business Fire Safety Checks undertaken for 2022/23 was 819.

2.10 Building Regulation Consultations (BRC) (number and completed on time)

Where the Regulatory Reform (Fire Safety) Order 2005 applied to premises (or would apply following building work) the building control body must consult with LFRS for comments / advice regarding fire safety. LFRS should make any comments in writing within 15 working days from receiving a BRC.

This new indicator provided Members with information on the number of building regulations consultations received during the period together with improvement actions.

Building Regulation Consultations received 283, of which 170 were completed within timeframe (LFRS should make comments in writing within 15 working days of receiving a BRC).

Improvement Actions were noted as follows:

To comply with the NFCC Competency Framework for Fire Safety Regulators, consultations must be completed by Level 4 qualified Fire Safety Inspectors. It was the same inspectors who were required to complete the more complex audits required by the risk-based inspection program, consequently use of finite resources must be fully co-ordinated and balanced. To achieve this and ensure consultation timelines were achieved:

- Development work continued to qualify more of the existing staff to L4 standard.
- Recruitment would be undertaken in Q3 to increase establishment in the function.
- Improved administration and consultation monitoring arrangements would be implemented.
- The newly formed Built Environment and Ops Liaison team would take an increasing role in co-ordinating the receipt and completion of consultations within timescales.

Area Manager – Head of Prevention & Protection, Matt Hamer was refining the delivery of protection activity and ensuring that resources were coordinated to meet the requirements and timeframes of the Building Regulation Consultation process.

KPI 3 - Responding to fire and other emergencies quickly

3.1 Critical Fire Response – 1st Fire Engine Attendance

This indicator reported the 'Time of Call' (TOC) and 'Time in Attendance' (TIA) of the first fire engine arriving at the incident in less than the relevant response standard.

The response standards included call handling and fire engine response time for the first fire engine attending a critical fire, as follows: -

- Very high-risk area = 6 minutes
- High risk area = 8 minutes
- Medium risk area = 10 minutes
- Low risk area = 12 minutes

The response standards were determined by the risk map score and subsequent risk grade for the location of the fire.

Annual Standard: to be in attendance within response standard target on 90% of occasions.

Critical Fire Response – 1st Fire Engine Attendance, year to date 84.74%; previous year to date 88.36%.

Quarterly response decreased 6.85% over the same quarter of the previous year.

The Assistant Chief Fire Officer informed Members that a paper would be taken to Planning Committee next year in relation to reviewing response standards. Lancashire Fire and Rescue Service had some of the quickest response times in the country which were set following previous Emergency Cover Reviews (ECR), however, due to changes within the current ECR, it was proposed to review the response times to make sure that they were fit for the future, sustainable and achievable.

3.2 Critical Special Service Response – 1st Fire Engine Attendance

This indicator reported the 'Time of Call' (TOC) and 'Time in Attendance' (TIA) of the first fire engine arriving at the incident in less than the relevant response standard.

The response standard included how long it took the first fire engine to respond to critical special service (non-fire) incidents where there was a risk to life such as road traffic collisions, rescues, and hazardous materials incidents. For these critical special service call incidents there was a single response standard of 13 minutes (which measured call handling time and fire engine response time).

Annual Standard: to be in attendance within response standard target on 90% of occasions.

Critical Special Service Response – 1st Fire Engine Attendance, year to date 90.10%; previous year to date 89.66%.

Quarterly response decreased 0.11% over the same quarter of the previous year.

3.3 Total Fire Engine Availability

This indicator measured the availability of fire engines by all crewing types. It was measured as the percentage of time a fire engine was available to respond compared to the total time in the period.

Total Fire Engine Availability, year to date 84.31%; previous year to date 88.75%.

Quarterly availability decreased 2.45% over the same quarter of the previous year.

It was noted that the key periods of Covid-19 restrictions/lockdowns were:

- 23rd March to 10th May 2020. The first national lockdown was announced.

- 22nd September 2020. New restrictions announced, including working from home.
- 5th November 2020 to 2nd December 2020. Second lockdown in England.
- 6th January 2021 to 29th March 2021. Third national lockdown / stay at home order.

3.3.1 Fire Engine Availability – Wholetime Shift System

This indicator measured the availability of fire engines that were crewed by wholetime, day crewing and day crewing plus shifts. It was measured as the percentage of time a fire engine was available to respond compared to the total time in the period.

Fire engines were designated as unavailable for the following reasons:

- | | | |
|-------------------------------|---------------------|-------------------------|
| * Mechanical | * Lack of equipment | * Appliance change over |
| * Crew deficient | * Miscellaneous | * Debrief |
| * Engineer working on station | * Unavailable | * Welfare |

Annual Standard: 99.5%

Fire Engine Availability – Wholetime Shift System, year to date 99.18%; previous year to date 99.26%.

Quarterly response decreased 0.30% over the same quarter of the previous year.

3.3.2 Fire Engine Availability – On-Call Shift System

This indicator measured the availability of fire engines that were crewed by the on-call duty system. It was measured as the percentage of time a fire engine was available to respond compared to the total time in the period.

Fire engines were designated as unavailable (off the run) for the following reasons which include the percentage of off the run hours that each reason contributed to the total. Members noted that fire engines can be off the run for more than one reason; hence the percentages were interpreted individually (rather than as a proportion of the total):

- | | |
|-------------------------|-----|
| • Manager deficient | 60% |
| • Crew deficient | 80% |
| • Not enough BA wearers | 73% |
| • No driver | 43% |

Annual Aspirational Standard: 95%

Fire Engine Availability – On-Call Shift System, year to date 72.23%; previous year to date 80.21%.

Quarterly availability decreased 4.19% over the same quarter of the previous

year.

The negative exception report was due to the percentage of On-Call (OC) pumps available to respond to emergencies being below the lower control limit during quarter 2.

Availability of OC pumps during the quarter was recorded at 71.38%, with each month being below the 79.43% control limit, and below the Service's 95% aspirational standard.

An On-Call review would be undertaken in the current year to look at fundamental elements of the On-Call system with the desired outcome of improving appliance availability. The Service had also invested in the creation of additional On Call Support Officer (OCSO) posts to further strengthen the support to On-Call and help implement changes arising from the review. Five additional OCSOs were appointed in September 2022, increasing the total to 8.

Actions being taken to improve performance:

- The Service appointed 35 successful applicants from the latest recruitment campaign.
- The Service would continue to deliver a recruitment strategy, which incorporated a targeted approach to stations that were in exception, whilst utilising data to identify the specific contractual/availability needs of those stations.
- The Service would continue to review On-Call contracts to ensure they were effective in improving appliance availability, whilst also ensuring contractual performance of staff was maintained.
- Recent recruitment of On-Call staff into WT posts (e.g., LFRS, Greater Manchester FRS, and Lancashire Constabulary) had impacted units through several On-Call staff leaving, not being available during training or reducing their hours due to shift patterns.
- Challenges around Light Goods Vehicle (LGV) and Officer in Charge (OIC) skills continued to be an issue across the Service. To remedy this, Firefighters in development could be nominated for LGV courses, following discussion with Station and Group Managers.
- High levels of sickness on some stations continued to be an issue, with Covid-19 continuing to be a contributor during the quarter.
- On-Call Support Officers (OCSOs) would continue to support On-Call units through the delivery of area-based training, primarily targeted at FFs in development. This support would aid progression through the FF development programme, subsequently increasing opportunities for FFs to progress to more specialist skills such as LGV driving or Incident Command.
- OCSOs were working with the Incident Command team to develop workshops that would resume in the spring. Local ad hoc sessions had been delivered, post incident command assessment, to support and develop OICs with their command skills.
- Support national On-Call campaigns and utilise their recruitment literature and designs. Align recruitment campaigns with NFCC On-Call Firefighter Days and raise the profile of the occasion during national volunteers' week.

- Invest in On-Call using relevant recruitment material and effective allocation of internal resources. Additional resources for the recruitment vehicle had been identified and requested which included new banners, QR code cards for each station, and new On-Call staff for advertisement.
- Quarter 2 saw the expansion of the OCSO team following the appointment of new staff in September.

The Assistant Chief Fire Officer advised that the Deputy Chief Fire Officer was the lead at national level (within NFCC) on the provision of the on-call system.

In response to a question from County Councillor Woollam on how long it took to train an on-call recruit, the Assistant Chief Fire Officer advised that the Service recognised that individuals typically had employment elsewhere. Initial two weeks basic training was followed by a 6-month period of training on station which followed with a two-week BA course and other training which took place during the evening and weekends. The Service was conscious to deliver training that was sympathetic and flexible to an individual's primary employment and home life. In response to an additional question, he confirmed that there were two back-to-back courses planned in spring 2023 and two in autumn 2023 which provided the potential for 96 new on-call firefighters.

The Assistant Chief Fire Officer introduced Area Manager Mark Winder who gave a presentation regarding some of the challenges of the on-call system:

- Often it was not a 'one size fits all' solution that was required
- People nowadays often do not work in their local area

The On-Call Review Terms of Reference were set on 30 June 2022. A project team briefing was conducted which identified 12 project deliverables across 3 themes. The 3 themes were: recruitment and retention; the On-Call Support Officer function; and response arrangements.

Theme 1 – Recruitment and Retention

- Review – Entry Requirements.
- Review – Maintenance of Skills requirements.
- Review – Remuneration.
- Review – Contract Changes.
- Review – Middle Managers Performance Training.
- Review – Recruitment methods and opportunities.
- Review – Specialist roles, i.e., Driver only.
- Standardise & coordinate recruitment campaign process.

Area Manager Mark Winder explained that entry requirements for on-call firefighters included living within 5 minutes of an on-call fire station and meeting the necessary fitness standard. The 5-minute locality radius was a limitation which would be considered. It was recognised that on-call firefighter training was a significant commitment with training taking place within leave from employment, on weekends and in the evenings, however, initial support was also offered from OCSOs which could facilitate additional training to suit an individual's personal

life. The refinement of the maintenance of skills would be investigated and the new Learning Management System would be introduced in April/May 2023.

On-call firefighter pay would be reviewed although Members were informed that LFRS paid the highest retaining fee in the UK. Currently, the minimum contract for an on-call firefighter was 60 hours per week with a maximum of 120 hours. The service employed a number of dual contract staff whose primary employment was with LFRS as firefighters and who also provided additional on-call hours. To achieve the highest level of availability, a flexible approach may be needed regarding contracted hours.

The Middle Managers Performance Training ensured that middle managers fully understood the challenges facing the on-call system and that individuals were performing appropriately.

Recruitment methods and opportunities would be explored and maximised with current employers that provide on-call staff and firefighter transfers from other Fire and Rescue Services.

Specialist roles were being considered, such as whether a 'driver only' role could be achieved.

Theme 2 – On-Call Support Officer Function

- 1 – Review structure and invest in team.
- 2 – Standardise induction and development.
- 3 – Standardise OCSO role across the Service (including cover).
- 4 – Upskill OCSO as Service Trainers.
- 5 – Review ARA for the role in line with others of similar nature.
- 6 – Standardise & coordinate recruitment campaign process.
- 7 – Provide Recruitment vehicle.
- 8 – Continual professional development sessions.
- 9 – Issue Service iPads to OCSO.

Area Manager, Mark Winder stated that the number of OCSOs had increased which gave support for the unit managers and provided a clear line management chain. Standardising induction and development was set up around the OCSOs to ensure that individuals were given the required skills and met expectations within the role. OCSOs would provide support to operational cover which included incident command.

All OCSOs would be provided with a training qualification to enable them to support with on-call recruit training at Service Training Centre (STC). This would also help to build awareness and familiarity with the on-call staff.

The provision of recruitment vehicles would enable the promotion of on-call to be mobile and to attend events. OCSOs would be supported with continual professional development sessions which would help to maintain their skills. As an investment into the role, OCSOs had been issued with service iPads which gave them the ability to work from different locations.

Theme 3 – Response Arrangements

- Turn in arrangements – Extension of turn in times (Preesall trial).
- Turn out arrangements – Virtual unit on Gartan.

The Service was running a trial at 2 on-call fire stations that faced recruitment challenges, by extending the time to respond to station. During the trial at Preesall fire station, the response period had been expanded to 8 minutes. Broadening the response time would extend the area that the Service could recruit from, allowing more people to apply.

Regarding Turn Out arrangements, the Service would mobilise a fire engine with a standard crew of 4. It was being considered whether, for those on-call stations located closely together, individuals could be mobilised together to make up the mobilisation numbers and increase availability: there could be opportunities within the Gartan system to achieve this.

In response to a question raised by County Councillor Kay, Area Manager Mark Winder confirmed that the On-Call Support Officers worked proactively engaging with local businesses to attract individuals onto the on-call system.

County Councillor Beavers queried whether the on-call firefighters needed to be as highly trained as wholtime staff given the intense level of training required while maintaining a work/life balance. In response, Area Manager Mark Winder advised that in recognition of the initial and ongoing training required, on-call firefighters training did not include additional specialist skills found in the wholtime workforce (such as for special appliances, swift water training etc). Issues experienced by staff were being worked through with the aim of getting the best balance for individuals and the best levels of availability.

Councillor Smith had queried whether the 95% target for fire engine availability for the on-call system was set too high. The Assistant Chief Fire Officer advised that the Service recognised the need for a review in the way on-call availability was reported. He proposed that options be taken to Planning Committee at its meeting in February next year.

KPI 4 - Delivering value for money in how we use our resources

4.1 Progress Against Allocated Budget

Members received an update on spend against the approved budget for the year.

The annual budget for 2022/23 was set at £63.0 million. It was noted that the spend at the end of 30th September was £23.5million, £0.3million more than the budget, the majority of which was attributable to inflation and particularly, increases in fuel and energy prices.

The variance for quarter 2 was 0.48%.

4.2 Partnership Collaboration

Under the Policing and Crime Act 2017, blue light services were under a formal duty to collaborate to improve efficiency, effectiveness and deliver improved outcomes.

LFRS, Lancashire Constabulary and North West Ambulance Service had met at both tactical and strategic levels and had agreed and signed a strategic statement of intent which contained the following aims:

- Improved Outcomes – The collaboration maintains or improves the service we provide to local people and local communities;
- Reduce Demand – The collaboration should contribute towards our longer-term strategic objective of decreasing risk in communities and reducing demand on services;
- Better Value for Money – The collaboration produces quantifiable efficiencies either on implementation or in the longer term;
- Reduced inequalities within our communities – The collaboration contributes towards reducing inequalities wherever possible.

This new indicator provided Members with an update on partnership collaboration during the period.

Update

The Blue Light Collaboration board met on the 30th of September 2022, where a presentation on the initial five projects was delivered to the strategic leads. This presentation incorporated the Project Initiation Documents (PID) and Highlight Reports for each project. Progress for the planning of each project was as follows:

Estates and Co-location

This project aimed to understand the partnership footprint in terms of what was on offer;

This project would be considering the following opportunities:

- LanCon Headquarters regeneration,
- Review of the LanCon Estate arising from Target Operating Model (TOM) and Estates Roadmap.
- The environmental shift in fleet to electronic vehicles and the Sustainability and Environmental Strategy.

The project was currently in coping phase and the PID was in production.

Leadership Development

This project aimed to map out the current offer by all partners and understand what was already underway and planned, develop a joint MOU, and hold a roundtable discussion between partners and explore mechanisms in relation to how this could practically work (cost, booking on staff, which systems were used, evaluation, familiarisation with terminology).

This project would be considering the following opportunities:

- The 'Outside In' programme.
- The 'Leading the Way' course days 1, 2 and 3.
- Recruitment and selection training.
- CPD development days with quality speakers and the Durham University Leadership Programme.

It may also consider learning from other organisations such as away days for new recruits.

Command Units

The aim of this project was to establish and deliver additional collaborative uses of the command units in LFRS in line with Joint Emergency Services Interoperability Programme (JESIP) principles. The key objectives were to improve operational effectiveness and in line with the LFRS mission; 'Making Lancashire Safer'.

Missing Persons (MisPer)

This project aimed to improve the existing collaborative approach to identification of the location of missing persons. The existing offer had been evaluated and learning and improvement had been made. The existing training for the Missing from Home (MFH) manager training for LanCon staff would continue to be supported by LFRS in terms of assets available.

Initially, two personnel across the USAR team and Drone team were to undertake the Missing From Home manager course. Additional crews in LFRS had been identified as specialist teams and would receive a bespoke training programme which was currently being mapped out. These teams would develop an increased knowledge of managing a missing person within the context of potential crime scene management. All LFRS assets would remain available regardless of the additional skills imparted to the specialist teams.

First Responder

The final project was between LFRS and North West Ambulance Service (NWAS). The aim of the project was to train a small initial team of five Community Safety Staff to participate in NWAS First Responder scheme. They would respond from the workplace to a restricted call set that revolved primarily around defibrillator use and cardiac arrest. Once proof of concept was ascertained, the plan was for the scheme to be broadened.

4.3 Overall User Satisfaction

People surveyed included those who had experienced an accidental dwelling fire, a commercial fire, or a special service incident that the Service attended. The standard was achieved if the percentage of satisfied responses was greater than the standard.

Annual Standard: 97.5%

Since July, 54 people had been surveyed and the number satisfied with the

	<p>service was 53; 98.83% against a standard of 97.5%; a variance of 1.37%.</p> <p>The Chair thanked the Assistant Fire Officer for a detailed and concise update of the report.</p> <p><u>RESOLVED:</u> - That the Performance Committee:</p> <ul style="list-style-type: none"> i) noted the Quarter 2 Measuring Progress report, including the three negative exceptions; and ii) approved that options for a revised on-call availability key performance indicator and critical fire 1st pump response, be presented to Planning Committee at its meeting in February 2023.
19/22	<p><u>NORTH WEST FIRE CONTROL PRESENTATION</u></p>
	<p>The Chair welcomed Ged Basson, Senior Operations Manager, North West Fire Control (NWFC). Mr Basson, provided the Committee with a presentation detailing the performance of NWFC during quarter 2 (July – September 2022).</p> <p><u>Emergency Calls in to NWFC</u></p> <p>NWFC received 36,743 in quarter 2 compared to 43,583 for the same quarter of 2021/22. For the year to date, NWFC had received 77,044 emergency calls compared to 86,544 for the same period of the previous year. Emergency calls included 999 calls from members of the public and emergency calls from Lancashire Constabulary and North West Ambulance Service. Mr Basson highlighted that there were peaks in call handling during the spring/summer months and around Bonfire night in November.</p> <p><u>Emergency Calls for LFRS</u></p> <p>A total of 9,299 emergency calls were received in quarter 2 for LFRS, compared to 10,414 for the same quarter of the previous year. For the year to date, NWFC had received 19,835 emergency calls for LFRS, compared to 20,845 for the same period of the previous year.</p> <p><u>Admin Calls in to NWFC</u></p> <p>NWFC had received a total of 31,727 admin calls in quarter 2, compared to 29,432 in quarter 2 of the previous year. The number of calls for the year to date was 61,452, compared to 58,506 for the same period of the previous year. Mr Basson explained that the exception in July, which fell outside of the tolerance level, was due to the extreme weather conditions.</p> <p>Admin calls included crews and officers contacting NWFC for either guidance, or to offer advice such as notification of missing equipment, defective resources, liaising with control regarding exercises or resources availability.</p> <p>Mr Basson confirmed with Councillor Smith, that all calls received regarding the</p>

same incident were all recorded as separate calls and not as one collective call.

Admin Calls for LFRS

Within quarter 2, a total of 7,384 admin calls were received for Lancashire Fire and Rescue (LFRS), compared to 6,116 in quarter 2 of the previous year. For the year to date, NWFC had received 14,405 admin calls for LFRS compared to 12,319 calls for the same period of the previous year.

Calls Challenged Resulting in No Mobilisation

In quarter 2, the percentage of calls challenged and not mobilised to was 44%, compared to 42% for the same quarter of 2021/22. For the year to date 45% had been challenged and had resulted in no mobilisation, compared to 42% of calls for the same period of the previous year.

In April, NWFC implemented a new call challenge process for automated fire alarms on behalf of LFRS, which could have attributed to the positive exception in quarter 2.

Fires: Average Response to Mobilise First Resource

For NWFC, mobilising performance times for fires in quarter 2 was 84 seconds which was under the 90 second target. NWFC had continued to mobilise resources to fires under the 90 second target for the year to date.

All FRS Response Times – Fires

The call handling times for fires continued to be relatively favourable compared to other fire and rescue services (Cumbria, Cheshire, and Manchester). The call handling time remained within the 90 second target.

Special Service Calls – Average Response to Mobilise First Resource

Mobilising performance times for LFRS in quarter 2 for special service calls was 125 seconds which had been maintained from quarter 2 of the previous year. LFRS mobilising times for special service calls for the year to date was 127 seconds compared to 126 seconds for the same period of the previous year. It was noted that several incidents were exempted from the data which included those incidents where there was not an automatic response from NWFC, but when Lancashire FRS had asked that further clarification was sought from a specialist officer, e.g., NILO, prior to mobilisation due to the type of incident, such as suspect packages, and missing persons. Other incidents excluded were, when crews had proceeded to fix a defective smoke alarm several hours after being notified or where incidents had to be queued due to a depletion of FRS resources in a location.

All FRS Response Times – Special Service Calls

The average response times for all FRS Special Service Calls was similar to the

	<p>other Fire and Rescue Services (Cumbria, Cheshire, and Manchester).</p> <p><u>RESOLVED:</u> - That the content of the presentation be noted.</p>
20/22	<p><u>WATER SAFETY ACTIVITY PRESENTATION</u></p>
	<p>Area Manager – Head Prevention and Protection, Matt Hamer provided members with a presentation regarding the 2022 Water Safety Campaign ‘Be Water Aware’. He advised Members that the recent tragic incident in Solihull where children fell through ice on open water and lost their lives, highlighted that water safety was not limited to the summer months. Tony Hewitt, Prevention Support Manager was to be Chair of proposed Lancashire Water Safety Partnership and was actively targeting water safety around the seasonal changes. The Service worked with partners and schools to raise awareness of the risks, currently around ice.</p> <p>The Water Safety Campaign:-</p> <ul style="list-style-type: none"> • was a campaign to raise awareness of the risks of water; • ran from April to September with the ability to scale up due to the weather conditions. • was data driven following the principles of Equality Impact Assessment; • adapted within all areas towards their risk; • was multi-agency. <p>Tony Hewitt explained that the Service had identified a large increase in the number of people accessing open water through water related hobbies, however, those people were not necessarily aware of the associated risks. Community Fire Safety (CFS) Team Leaders were involved in a project around identifying nationalities in Lancashire translating safety resources into different languages.</p> <p>Tony Hewitt reported that the crews carried out work, centered around World Drowning Prevention Day, to identify sites most at risk in order to improve the safety at those sites using a multi-agency approach. The reasons the Service ran a Water Safety Campaign included that, in 2020, there were 254 accidental drownings in the UK. Almost half of those people did not intend to enter the water, and 78% of accidental drownings were male. To tackle this, those involve in open water-based activities would be targeted</p> <p>Objectives for the 2022 campaign included;</p> <ul style="list-style-type: none"> • to increase the number of people, spanning a range of ages, that received water safety education both formally and informally; • to reduce the number of drowning incidents; • to promote local and national drowning prevention projects, initiatives, and messages; • to reduce the overall number of incidents and associated risks to LFRS staff; • to increase the overall campaign engagement from 16% in 2021 to 18% in 2022.

Tony Hewitt advised that 2022 was the first year that the Service had been able to go into schools following lockdown to deliver messages to children face to face, around water safety and risks. The Service aimed to reduce the number of drowning incidents, as in 2022 there had been 4 fatalities in open water in Lancashire.

The Service delivered;

- NFCC Drowning Prevention Week (25 April – 01 May 2022);
- Royal Life Saving Society Drowning Prevention Week (15 – 25 June 2022);
- for the first time since its introduction last year, LFRS actively engaged in World Health Organisation's initiative World Drowning Prevention Day (25 July 2022), aimed at raising water safety awareness around the world;
- approx. 3800 learners joined the virtual session organised and run by the Prevention Support Team;
- approx. 7000 learners received in-school water safety input;
- delivered sessions to non-school settings such as Blackburn Youth Zone, NCS group, Fire Cadets, Prince's Trust Team and voluntary youth groups (e.g. Beavers);
- targeted engagement at known hotspots.

Tony Hewitt informed Members that, as part of the NFCC Drowning Prevention Week, a number of messages were delivered over social media through Corporate Communications and face to face delivery was carried out in a number of schools. During World Drowning Prevention Day, national landmarks were lit up blue to raise awareness of drowning prevention. In Lancashire, landmarks included were Blackpool Tower, Ormskirk Clock Tower, and venues in West Lancashire.

One of the next steps was to establish the Lancashire Water Safety Partnership and agree Terms of Reference. Andy Peacock, Manager for the HM Coast Guard for the North West had been acknowledged as the Vice-Chair of the Partnership and brought with him valuable experience. The partnership would allow the Service to gain better data to target campaign activity and carry out more joined up working. The launch date for the Lancashire Water Safety Partnership was 1st April 2023 but prior to that, the Service would work with partners and landowners to identify suitable locations for Water Safety Boards, safety equipment and ensure perimeters were secure. Another approach would be to check local schools' access to swimming lessons as many facilities were closing due to the cost of living crisis which potentially increased the risks around water.

Also being considered was a regional water safety partnership which had been agreed with most of the neighbouring Fire and Rescue Services and would commence in the new year. Services could share best practice and ensure consistency across regions.

In response to a query from Councillor Smith regarding whether swimming lessons were compulsory in schools, Tony Hewitt believed that schools made the decision which would be dependent on individual budgets.

County Councillor Yates stated that Councillors should press local authorities to

	<p>provide more funding for swimming lessons. Tony Hewitt agreed that it was fundamental for children to learn to swim as it was a life saving skill which, Mark Winder added, would be lost if not funded and it was important to have partners who could support the message.</p> <p>County Councillor Beavers believed that it was still mandatory for schools run by Lancashire County Council to provide swimming lessons, however, there were those schools such as academies that could choose. She added that her local authority provided free swimming for all children of school age, every weekend and school holiday.</p> <p>County Councillor Kay requested that Councillors be sent posters and materials so they could promote messages to the public. She also suggested that 'what to do' guidelines be put up near open water.</p> <p>County Councillor Yates left the meeting.</p> <p><u>RESOLVED</u>: - That the content of the presentation be noted.</p>
21/22	<p><u>REVIEW OF FAMILY GROUP COMPARATIVE INFORMATION</u></p>
	<p>At the final Performance Committee of each financial year, the Measuring Progress report was accompanied by a comparative performance analysis of other Fire and Rescue Services (FRS) which was formed upon historic 'Family Groups'.</p> <p>Over the years, this comparison had enabled Lancashire Fire and Rescue Service (LFRS) to demonstrate to the Committee how the Service was performing against other FRS on a small number of Key Performance Indicators (KPIs).</p> <p>As the fire sector evolved, the use of Family Groups had slowly diminished as had the value of their use in effectively comparing FRS with FRS. The position had been further weakened by new FRS joining Family Groups that they were not originally intended to be placed within.</p> <p>At the 16 March 2022 Performance Committee meeting, (resolution 24-20/21 – <i>review of Family Group Comparative Information</i>), Area Manager Mark Hutton proposed that future Family Group analysis could involve data that looked beyond the Family Group, taken from other national databases that the Service could now access, and which could offer a broader and more suitable comparison than the current arrangements. Since that time, the National Fire Chiefs Council (NFCC) had commenced a project to nationally rework the Family Groups using common data relationships with the early outcomes of this work to be shared with each FRS by Christmas 2022 and planning workshops being delivered during 2023.</p> <p>The set of new groupings would have verifiable data and should offer a statistical tool for grouping the various Services in a way that could report ESV data (economic and social value). The project also aimed to enable new relationships</p>

	<p>to be developed by FRS who shared certain characteristics, some of which individual FRS may presently be unaware of.</p> <p>To facilitate the use of the new tools and datasets there were three regional workshops planned for the second quarter of 2023 (July to September). The Service therefore, proposed to pause any internal work on this topic and await the outcomes from the NFCC project before providing final options to Performance Committee for consideration later next year.</p> <p><u>RESOLVED</u>: - That the Performance Committee noted the progression of the national project and endorsed the Service await the delivery of the project outcomes, before determining the future provision of comparative data.</p>
22/22	<u>DATE OF NEXT MEETING</u>
	<p>The next meeting of the Committee would be held on <u>15 March 2023</u> at 1000 hours in the Main Conference Room at Lancashire Fire and Rescue Service Headquarters, Fulwood.</p> <p>Further meeting dates were noted for 28 June 2023 and 13 September 2023 and agreed for 13 December 2023.</p>

LFRS HQ
Fulwood

M NOLAN
Clerk to CFA

Lancashire Combined Fire Authority

Meeting to be held on 20 February 2023

Proceedings of Planning Committee held 6 February 2023

(Appendix 1 refers)

Contact for further information:

Diane Brooks, Principal Member Services Officer - Tel: 01772 866720

Executive Summary

The proceedings of Planning Committee meeting held 6 February 2023.

Recommendation(s)

To note and endorse the proceedings of Planning Committee as set out at appendix 1 now presented.

Information

Attached at Appendix 1 are the proceedings of the Planning Committee meeting held on 6 February 2023.

Business Risk

Nil

Environmental Impact

Nil

Equality & Diversity Implications

Nil

Financial Risk

Nil

HR Implications

Nil

Local Government (Access to Information) Act 1985

List of background papers

Paper:

Date:

Contact:

Reason for inclusion in Part 2 if appropriate: N/A

Lancashire Combined Fire Authority Planning Committee

**Monday, 6 February 2023, at 10.00 am in the Main Conference Room,
Service Headquarters, Fulwood.**

Minutes

Present:	
Councillors	
S Clarke (Chair)	
J Singleton (Vice-Chair)	
M Dad	
N Hennessy	
F Jackson	
D O'Toole	
S Rigby	
J Shedwick	
T Williams	

Officers
S Healey, Deputy Chief Fire Officer (LFRS) J Charters, Assistant Chief Fire Officer (LFRS) M Hamer, Area Manager, Prevention Protection and Road Safety (LFRS) D Brooks, Principal Member Services Officer (LFRS) L Barr, Member Services Officer (LFRS)

16/22	Apologies for Absence
	Apologies for absence were received from Councillor J Hugo.
17/22	Disclosure of Pecuniary and Non-Pecuniary Interests
	None received.
18/22	Minutes of Previous Meeting
	Resolved: - That the Minutes of the last meeting held on 21 November 2022 be confirmed as a correct record and signed by the Chair.
19/22	Annual Service Plan and Strategic Assessment of Risk
	The Deputy Chief Fire Officer presented a report on the Service's Annual Service Plan and Strategic Assessment of Risk for 2023/24.

Strategic Assessment of Risk

Risk in Lancashire would always remain dynamic: it changed over time, differed by area and demographic, and needed different interventions to reduce the likelihood of the risk occurring or to lessen its consequences. These risks were identified in the Strategic Assessment of Risk (SaoR) which was refreshed annually and was also informed by the Lancashire Resilience Forum Community Risk Register. Through its risk management framework, the Service continually assessed changing risk and prioritised its response framework.

The Strategic Assessment of Risk reflected the knowledge and experience of a variety of specialist departments and utilised Lancashire Fire and Rescue Service (LFRS) Incident Recording System (IRS) data to derive a data driven methodology that highlighted the incident types that posed the greatest risk to the county of Lancashire and the individuals who lived and worked within it.

This year's document built on previous iterations as LFRS sought to continually improve its risk management processes. The Deputy Chief Fire Officer drew Members attention to the final paragraph of the introduction (page 43 of the agenda pack) particularly that "the environment in which we operate is constantly changing and new risks to our communities will always emerge". He advised that significant changes had been made to the 'About Lancashire' section, which had been refreshed to ensure the Service was using the most up-to-date data sources available and most notably the section now used 2021 census data. The report also detailed risks relating to: Deprivation (and the correlation to fire risk); the wide range of Infrastructure risk within Lancashire in terms of operational response (including to: reservoirs, dams, wind turbines, ports and rail networks); the Built Environment (from the newer forms of construction materials and the ongoing work following the Grenfell Tower fire in 2017 supporting future buildings to be as safe as they could be); Technology (including electric vehicles and bulk/battery energy storage systems); and Wildfire Incidents (and the impact of climate change. This in turn informed the Climate Change Operational Response Plan that detailed how LFRS would respond to increased flooding and wildfires). Pages 53 – 55 of the agenda pack presented data analysis that fed into the risk methodology used and how the Service resourced to risk. A heat map on page 56 of the agenda pack showed centres of high incident activity alongside fire station locations which reassured Members that resources were aligned to risk. From page 58 onwards the report detailed the risk assessment methodology used and the risk associated against the 32 incident types which had resulted in some movement in the ranking of the highest risk incident types.

In response to a question from County Councillor S Rigby concerning his county council division of St Annes, the Deputy Chief Fire Officer advised that the heat map showed high level activity across Lancashire and the Strategic Assessment of Risk drove robust Service, district and local station level response to risk thereby enabling LFRS to tailor prevention, protection and response activities to the identified risks. This process had been commended by His Majesty's Inspectorate of Constabulary and Fire and Rescue Services.

County Councillor Rigby also queried why there was an increase in special service incidents (as detailed under the historical data section of the report on page 53 of the agenda pack). The Deputy Chief Fire Officer advised that special service calls related to non-fire related incidents where the Service offered support, for example to blue light colleagues (ie: gaining entry into properties and missing persons' searches), in addition to incidents such as road traffic collisions. In response to a further question regarding whether this was reflected in the spending profile the Deputy Chief Fire Officer advised that investment (for example in drone technology) had been made which supported the broader response of keeping the communities in Lancashire safer. He advised that the Service was considering a recharge policy to recover costs when specialist assets such as our drones and dogs were used outside of Lancashire and/or with other Blue Light partners.

With reference to County Councillor Rigby's query, County Councillor Shedwick confirmed he would welcome the Deputy Chief Fire Officer's proposal for a presentation at a future Strategy Group on how the Service used data to assess risk.

Councillor Williams queried the level of incidents attended that included lithium-ion batteries. In response, the Deputy Chief Fire Officer advised that there had been a national increase in response to fire from power sources in road vehicles and solar panels and these could be difficult to extinguish. Power generated by renewable energy sources was being stored in lithium-ion battery solutions (including large battery energy storage systems, one of which is located in Preston; typically housed in a bank of what looked like shipping containers). Modern solar panels were increasingly linked to a domestic battery storage systems which created additional hazards for firefighters attending these types of incidents. Details regarding the number of incidents attended was available and could form part of the presentation to the Strategy Group.

The Assistant Chief Fire Officer added that there was national recognition that emerging technology was a risk. The National Fire Chiefs Council (NFCC) had a working group which looked to link with industry and suppliers of technology to understand what was being produced and consider how to alter operational response arrangements to respond appropriately to those risks. More locally, Area Manager John Rossen was the lead for the north west's emerging technology group on behalf of the NFCC and work was ongoing with other North West Fire and Rescue Services to analyse data and identify emerging local risks.

In response to a question raised by County Councillor Hennessy regarding the highest risks, the Deputy Chief Fire Officer advised that the table on page 61 of the agenda pack showed all incident categories which ranked the highest risk in red, down to the lowest risk for each of the risk areas based on the risk assessment methodology. Property fires both domestic and commercial were at the top of the risk table, followed closely by climate change challenges and road traffic collisions. The risk calculation was complicated and could change. It depended on the number of incidents as well as the outcome of those incidents ie: wildfires and flooding did not occur regularly but did have a massive impact on communities and the environment. In response to a further question the

Deputy Chief Fire Officer confirmed that communication campaigns were linked to these risks. National prevention campaigns were led by NFCC and local campaigns were based on local intelligence and delivered in line with local plans.

Councillor Jackson advised that the 'new urban design approach' referred to on page 48 of the report had been in operation in Blackpool for several years. The Deputy Chief Fire Officer confirmed that the wording in the report would be amended before publication.

The Deputy Chief Fire Officer then referred to the Annual Service Plan.

Annual Service Plan

The Annual Service Plan continued to provide Lancashire Fire and Rescue Service (LFRS) with the platform to highlight the priority activities and projects the Service intended to deliver over the coming year; leading improvements and innovation in the sector with some of the best firefighting equipment and training facilities in the country and a highly skilled and motivated workforce.

The Annual Service Plan was built around the Service's 5 corporate priorities as detailed in the Community Risk Management Plan. As in previous years, detailed under each corporate priority was a series of priority activities and projects with a brief description of each item to give further clarity and context as now considered by Members, these were: -

1. Valuing our people so they can focus on making Lancashire safer;
 - Create an organisational culture where diversity is encouraged and valued;
 - Introduce peer support ambassadors;
 - Explore the future of Service headquarters;
 - Upgrade fire station facilities;
 - Improve learning and development systems; and,
 - Deliver firefighter pension changes.
2. Preventing fire and other emergencies from happening;
 - Invest in digital improvements to our home fire safety check service;
 - Improve evaluation of fire prevention activity; and
 - Strengthen operational risk information.
3. Protecting people and property when fires happen;
 - Expand our business fire safety check service;
 - Strengthen our fire safety inspection programme to meet evolving standards;
 - Introduce a revised automatic fire alarm attendance policy; and
 - Transform fire protection and business safety.

4. Responding to fire and other emergencies quickly and competently;

- Implement our emergency cover review which includes:
 - Review emergency cover in Preston;
 - Introduce more resilient and flexible crewing arrangements;
 - Optimise emergency cover through dynamic cover software;
 - Strengthen our response to climate change emergencies;
 - Strengthen firefighting and rescue capabilities in high-rise and commercial buildings; and
 - Broaden on-call firefighting capabilities to strengthen operational response.
- Invest in our training centre;
- Build 4 new drill towers;
- Invest in our fleet; and
- Implement operational learning in response to national events.

5. Delivering value for money in how we use our resources.

- Review productivity and efficiency;
- Replace performance and analysis software;
- Collaborate with other public services; and
- Install CCTV on fire engines and other service vehicles.

Activities that were planned to be delivered also informed the staff performance appraisal process, so all staff understood plans and were involved in helping to deliver key activities.

The aim was to continually improve and refine the planning process and this year's Plan aimed to add focus on achievable objectives to be delivered within the year, acknowledging that a proportion of items were continued from the 2022/23 Plan, reflecting the commitment to a number of long-term projects.

With reference to the scored incident categories on page 61 of the agenda pack, County Councillor O'Toole was proud that the risks were transparent. He was pleased that the Plan included the need to redevelop Preston Fire Station and to explore the potential relocation of headquarters which had been discussed by the Authority for many years. He suggested that a previously constituted Task and Finish Working Group be re-established to support both of these building projects. This was supported by County Councillor Shedwick who commented on the need for a review of Service requirements across Preston given the level of change. In response the Deputy Chief Fire Officer advised that the redevelopment of Preston Fire Station would be reviewed which would include options to rebuild in situ or at an alternate site in Preston whereby consideration would be given to the impact on nearby stations. He confirmed that options would come back to Members for consideration. In addition, the review of capital projects would look at potential improvements at the Service training centre and the potential relocation of service HQ to the training centre. These 3 key areas all impacted on the capital programme which Members would be reviewing at the next Authority meeting.

	<p>In response to a comment from County Councillor Hennessy the Deputy Chief Fire Officer advised that wording in the introduction to the Annual Service Plan (page 28 section 2) regarding the introduction of more resilient and flexible crewing arrangements could be amended to be clear this would be through engagement with staff and trade unions.</p> <p>County Councillor Singleton thanked officers for the detailed report and for outlining a very challenging service plan. He commented that the plan would be impacted from any strike action and welcomed the plans for Preston station, supporting the establishment of a task and finish working group proposed by the Authority Chairman.</p> <p>Resolved: That the Planning Committee noted and endorsed the Annual Service Plan and Strategic Assessment of Risk for publication.</p>
20/22	<p>Consultation Strategy - Annual Review</p>
	<p>The Deputy Chief Fire Officer presented the report. The Authority had a consultation strategy which provided a framework through which it could seek public opinion on major change issues.</p> <p>Each year the Planning Committee reviewed the strategy, as now considered by Members, to assure continued compliance with guidance or legislation and to incorporate learning from any public consultation exercises undertaken.</p> <p>The review concluded that the strategy continued to be legally compliant and in line with good practice.</p> <p>It was noted that in the most recent inspection by His Majesty's Inspectorate of Constabulary and Fire and Rescue Services the report commented that the service had improved in the way it communicated with the public and internal and external interested parties about its community risk management plan. The strategy was also implemented to good effect during the public consultation on the emergency cover review proposals in summer 2022.</p> <p>Resolved: That the Planning Committee noted and endorsed the consultation strategy.</p>
21/22	<p>Blue Light Collaboration Board Update</p>
	<p>The Deputy Chief Fire Officer advised that the report updated on progress of the Blue Light Collaboration Board. The current Membership was himself as Chair together with the Director of Response for North West Ambulance Service and the Deputy Chief Constable.</p> <p>The Deputy Chief Fire Officer updated Members on progress regarding the initial 5 collaboration projects as follows: -</p> <p>1. Missing Persons</p> <p>Members of the Authority and Service sent their thoughts to family and friends of</p>

Nicola Bulley who was currently missing. The Deputy Chief Fire Officer reassured Members that the Service had provided overhead and underwater search drones, search dogs, firefighters and boat teams to support the multi-agency response assisting Police colleagues in the search.

Following a review of mobilisation data, it was identified that the opportunities to provide Lancashire Fire and Rescue Service (LFRS) support to these incidents had reduced. Therefore, the main project objective was to improve the existing collaborative approach to the identification of the location of missing persons. Learning had been identified from the original process and improvements had been made. LFRS support for the 'Missing from Home' Manager training for Lancashire Constabulary staff would be continued in terms of LFRS assets available. Furthermore, Lancashire Constabulary had provided training to control staff to raise awareness.

The initial plan included a small number of LFRS personnel from the Urban Search and Rescue team and Drone team to undertake the 'Missing from Home' Manager course. This would develop knowledge and understanding regarding aspects of planning and undertaking a search. Additional LFRS crews had been identified as specialist teams and would receive a bespoke training programme which was currently being mapped out. These teams would develop an increased knowledge of managing missing person incidents within the context of potential crime scene management. All LFRS assets would remain available regardless of the additional skills imparted to the specialist teams.

2. Estates and Co-location

This was a longer-term work stream with interdependencies as there were several internal projects within Lancashire Constabulary to review current building stock. This included Lancashire Constabulary headquarters, and various police stations. Property leads from all three agencies were in contact with each other and plans were being developed to organise a monthly catch-up meeting. This would ensure that each Blue Light Service was sighted to internal findings and provided with awareness in terms of future opportunities. The Deputy Chief Fire Officer advised that, should it be decided to relocate Preston Station or build in situ this would be done through the Collaboration Board to provide opportunities for collaboration.

3. First Responder

A phased approach was agreed in terms of volunteers signing up to the scheme. Phase 1 was being rolled out to non-operational LFRS staff, such as Community Fire Safety. Subsequently, phase 2 would consider the roll out to operational staff.

Progress on phase 1 had resulted in the success of one non-operational member of LFRS responding to category 1 incidents. The Deputy Chief Fire Officer advised that the LFRS First Responder volunteer had recently responded to a cardiac arrest which resulted in the person's life being saved. The North West Ambulance Service (NWAS) reporting system had been modified to include LFRS staff, so it was possible to analyse data and monitor mobilisations.

There were 4 additional volunteers identified who would undertake training shortly. Once the 5 initial volunteers had been operating for 3 months, the data would be analysed, and regular welfare checks would be completed. The findings would be used to inform plans for phase 2.

In terms of technology, an NWS application was used to mobilise First Responders and there was an option for them to accept or decline the request forwarded to them. This data would also be used to report on the overall number of calls and responses received.

Further discussion would take place with Lancashire Constabulary to review if there were any suitable non-operational roles that could be added as First Responders. It was noted that operational staff did attend cardiac arrests alongside NWS and that collaboration to this effect was already taking place.

In response to a question from County Councillor O'Toole the Deputy Chief Fire Officer confirmed that North West Ambulance Service did support the Collaboration Board. He advised that there were challenges in establishing the scheme which had now started locally with non-operational staff volunteers. The greater challenge was how front-line crews could respond without compromising the availability of fire engines. It was noted that there had been a national pilot trialled in the past but this had paused and work was ongoing at national level to work through this with the Trade Unions.

4. Leadership Development

Initial scoping had been completed, in terms of what each organisation currently delivered for leadership development. The project was being delivered in two phases. Phase 1 covered some short-term objectives, seeking to maximise existing courses and events, and provide opportunities for staff from all three organisations to utilise places on these courses. An example of this was the 'Inside Out' programme, which was offered by Lancashire Constabulary. A benefit would be improved efficiency, through utilisation of unfilled places. Additionally, it would provide a platform for discussing ideas and sharing learning, as many of the leadership challenges were cross cutting in all three organisations.

Phase 2 would scope opportunities to collaborate on specific elements of supervisory and middle manager leadership programmes. This would lead to some efficiencies, as well as a platform to share ideas.

5. Command Units

The aim of this project was to establish and deliver additional collaborative uses of the command units in LFRS in line with Joint Emergency Service Interoperability Programme principles. The key objectives were to improve operational effectiveness and in line with LFRS' mission; 'Making Lancashire Safer'.

County Councillor Shedwick commented on the high level of collaboration provided by the Service including road safety. Councillor Jackson supported

	<p>County Councillor Shedwick's comment and added that staff should be commended on their work in this area given the injuries and fatalities witnessed at some of the incidents they attended. He added that, although it was difficult to prove, he genuinely believed that the delivery of road safety education had saved lives.</p> <p>Resolved: That the Planning Committee noted and endorsed the update.</p>
22/22	<p>His Majesty's Inspectorate of Constabulary and Fire and Rescue Services - Update</p>
	<p>The Deputy Chief Fire Officer updated Members regarding the inspection methodology and framework for His Majesty's Inspectorate of Constabulary and Fire and Rescue Services and LFRS planning arrangements.</p> <p>Round 2 gradings summary</p> <p>Since the previous meeting, the Services in tranche 3 (of the current round of inspections) had received their reports. A summary of the gradings awarded from the completion of round 2 inspections for each pillar was detailed in the report. Whilst some more 'outstanding' grades were awarded in round 2, the greater detail and scrutiny in assessment meant that most fire and rescue services lost grading against the 11 diagnostics. This was likely to continue to be the approach going forward, which meant that to maintain the same gradings in the next round of inspections it was expected that a demonstration of progress would be made.</p> <p>Round 3 Overview</p> <p>Members noted that the next round of inspections, known as 'Round 3' would start in February 2023. HMICFRS would continue to inspect how effective and efficient Fire and Rescue Services (FRSs) were at carrying out their principal functions of fire safety, firefighting, and responding to road traffic collisions and other emergencies. All 44 FRSs in England would be inspected in round 3 over a two-year period, using a similar methodology to the Round 2 inspections. It was noted that HMICFRS had moved away from grouping services in to three tranches, to a more rolling approach. It was anticipated that this would ensure that publication of the reports was sooner after the inspection had concluded, which would enable FRSs to be able to react to feedback in a timelier way. Whilst it was still not certain, planning assumptions were that Lancashire would likely be inspected either late 2023 or early 2024.</p> <p>HMICFRS had stated they wanted to maintain the focus of the sector on the areas that had been identified for improvement through the inspection process, therefore, moving forward they would continue to inspect the effectiveness and efficiency of FRSs and how well they looked after their people. However, to identify more precisely where it was considered improvement was needed, and how FRSs should achieve it, HMICFRS would move to a common grading approach throughout both FRS and Police inspections.</p> <p>The 5 judgement categories would be: i) Outstanding (the FRS had</p>

substantially exceeded the characteristics of good performance; ii) **Good** (the FRS had substantially demonstrated all the characteristics of good performance); iii) **Adequate** (the FRS had demonstrated some of the characteristics of good performance, but areas had been identified where the FRS should make improvements); iv) **Requires improvement** (the FRS had demonstrated few, if any, of the characteristics of good performance, and a substantial number of areas where the FRS needed to make improvements had been identified); v) **Inadequate** – HMICFRS had cause for concern and had made recommendations to the FRS to address them.

In the previous rounds of inspections, HMICFRS assessed and provided summary judgments for the three principal questions of the inspection methodology (efficiency, effectiveness, and people) and for 11 diagnostic questions. They would now assess and give graded judgments only for the 11 diagnostic questions only. This better served the aims of promoting improvements in fire and rescue and highlighting where a FRS was doing well and where it needed to improve.

In future reports, HMICFRS would comment on progress made by the service since its last inspection. However, these changes meant it would not be possible to make direct comparisons between the grades in Round 3 inspections with those in previous rounds of inspection.

The assessment of effectiveness would continue to consider how well each FRS was performing its principal functions of preventing fires from happening, making sure the public was kept safe through the regulation of fire safety and responding to emergency incidents. They would continue to provide the public with clarity on how well FRSs were prepared to respond to major incidents with other FRSs and partner agencies.

The assessment of efficiency made a clear distinction between the way each FRS used its resources to manage its current risks and how well it was securing an affordable way of managing its risks in the future. During Round 3, there will be a greater focus on assessing how productive a service was and what productivity improvements it had made since its last inspection. HMICFRS would also continue to improve how they inspected value for money.

The assessment of how each FRS looked after its people would remain focused on leadership at all levels of the organisation. HMICFRS would continue to look closely at training, values and culture, and there will be a particular emphasis on diversity and how services were trying to overcome inequalities.

State of Fire 2022

His Majesty's Chief Inspector of Fire & Rescue Services', Mr Andy Cooke was required to report to the Secretary of State under section 28B of the Fire and Rescue Services Act 2004 on an annual basis. The State of Fire and Rescue Annual Report 2022 contained HMICFRS' assessment of the effectiveness and efficiency of fire and rescue services in England during the second full round of inspections, which were carried out between February 2021 and August 2022. This report drew on findings from inspections of FRSs in England, to provide an

overall view of the state of the fire and rescue sector.

The Deputy Chief Fire Officer drew Members' attention to Mr Cooke's first annual assessment of England's fire and rescue services since being appointed in 2022, where he found that:

i) only two of the inspectorate's previous six recommendations for reform of the fire service had been implemented, which he described as extremely disappointing; ii) the Home Office, the Local Government Association, the National Fire Chiefs Council and trade unions should work together to consider reforming structures for negotiating pay, terms and conditions, which would reduce the risk of industrial action; and iii) many services needed to improve their culture, and there were still some unacceptable levels of bullying, harassment and discrimination.

Mr Cooke said: "I am continually struck by the dedication of firefighters and other staff, and I know the public feel the same – they are enormous assets to our communities. The fire service faces a difficult year ahead against the backdrop of industrial action. Some may see these challenges as a reason not to risk further change. On the contrary, reform of the fire service is still urgently needed – and until all our recommendations are addressed in full, fire and rescue services won't be able to provide the best possible service to the public. "I am frustrated at the lack of progress since we first started inspecting fire and rescue services in 2018. Only two of our six recommendations for national reform have been completed. I expect to see further commitments from the Government – including timescales for completion – very soon. Both the public and fire and rescue services deserve better."

The Inspectorate's 4 remaining recommendations were:

1. the Home Office should precisely determine the role of fire and rescue services, to remove any ambiguity;
2. the sector should remove unjustifiable variation, including in how they define risk;
3. the sector should review how effectively pay and conditions were determined; and
4. the Home Office should invest chief fire officers with operational independence, whether through primary legislation or in some other manner.

In response to a question from County Councillor Hennessy regarding the above national recommendation 2 "that the sector should remove unjustifiable variation including how they define risk" the Deputy Chief Fire Officer advised that LFRS was working with colleagues in the sector towards a definition of risk to enable HMICFRS to compare Service performance effectively.

In response to a question from County Councillor Rigby regarding the above national recommendation 4 "the Home Office should invest chief fire officers with operational independence, whether through primary legislation or in some other manner" the Deputy Chief Fire Officer advised that he understood that HMICFRS would like to see a response to the 'Reforming our Fire and Rescue Service' White Paper from the Home Office by the end of March 2023, part of

	<p>which considered the operational independence of chief fire officers and the potential for different governance models. The Authority had responded to the consultation on the White Paper the previous year (resolution 12/22 refers) that “the Fire Authority remained resolute that the current governance arrangements represented the best for Lancashire, evidenced by an excellent Fire and Rescue Service”.</p> <p>Members noted that the Inspectorate had also confirmed that it would produce a new report on values and culture in England’s fire and rescue services, which would be published later this year.</p> <p>In response to a query from County Councillor O’Toole the Deputy Chief Fire Officer confirmed that LFRS had been graded ‘good’ in 10 areas and ‘outstanding’ in one area. He advised that the summary (on page 101 of the agenda pack) was of the round 2 gradings from the 44 Services inspected. This showed that 2 services were ‘inadequate’ for efficiency and 2 services were ‘inadequate’ for people. He confirmed that each of those Services would receive a detailed report that set out where HMICFRS found them to be inadequate.</p> <p>In response to a question raised by County Councillor Hennessy the Deputy Chief Fire Officer confirmed that a report could be presented to Members at a future Strategy Group meeting on progress made towards areas of improvement identified by HMICFRS.</p> <p>Resolved: That the Planning Committee noted and endorsed the update.</p>
23/22	<p>Automatic Fire Alarm Attendance Policy - Nine Month Review and Forward Proposals</p>
	<p>The Assistant Chief Fire Officer presented the report.</p> <p>On 28 June 2021, the Fire Authority endorsed for public consultation (resolution 14-20/21 refers), a recommendation by the Performance Committee to remove attendance to Automatic Fire Alarms (AFA) at non-sleeping premises (unless presence of fire was confirmed) on the basis of a staged implementation over two years; during the day in year one and during the night from year two.</p> <p>The resulting consultation commenced on 12 August and concluded on 21 September 2021. It was noted that in accordance with committee terms of reference, the consultation outcomes and associated recommendations were considered by the Planning Committee at its meeting held 15 November 2021 where it was resolved (15-20/21 refers) to make recommendations to the Authority. At its meeting on 13 December 2021 the Authority approved the recommendations (resolution 46-20/21 refers) with the launch of the new policy from 1 April 2022.</p> <p>Prior to implementing the revised AFA policy (which aimed to reduce the volume of Unwanted Fire Signals) a significant amount of engagement was completed over a six-month period, with North West Fire Control (NWFC), Alarm Receiving Centres (ARC), members of the public, operational and fire protection staff, to ensure that the policy changes were understood by all concerned, and that they</p>

could adapt working practices and procedures to manage the change.

In addition to premises that contained sleeping risk, a number of other premises types were exempted from the policy due to the inherent risks posed and the consequences of a fire occurring, namely:

- Single private domestic dwellings.
- Sheltered accommodation.
- Other residential premises such as hostels, hotels, student accommodation, care/nursing homes etc.
- Registered Control of Major Accident Hazards (COMAH) sites, and nuclear sites covered by the REPPiR legislation.
- High rise buildings.
- Hospitals.
- Prison/Young Offenders' institutions.
- Police stations, military barracks.
- Infant, primary, or secondary education premises.
- Grade 1 or Grade 2* heritage premises.

The policy also permitted that non-sleeping premises, which would not normally receive an attendance during the above hours, be granted a fire alarm exemption, if they provided evidence that their premises had an Enhanced Reliability Alarm System¹. To date one property had requested a fire alarm exemption and provided the necessary documentation for this to be implemented.

Data Analysis (9-month review)

In April 2022 the revised AFA policy was introduced to non-sleeping premises types between the daytime period of 0800 to 1900. Since implementation, the Service had seen significant reductions (42.3% decrease on the previous 5-year average) in the overall number of AFA attendances to premises covered by the policy. During the months of April 2022 to December 2022, 14.1% of the total initial AFA incidents occurred within daytime period which favourably compared against an average of 55.8% during the preceding 5 years.

Incidents at property types to which the new AFA policy applied, between the daytime period, had reduced 85.5% during the comparative first nine months of 2022/23, to the previous 5-year average. The Assistant Chief Fire Officer commented that mobilisation to unwanted fire signal activations used a great deal of operational response resources and interrupted other business activity (such as: training, the delivery of Home Fire Safety Checks and Business Fire Safety Checks etc). By reducing unwanted and unnecessary mobilisations would demonstrate to HMICFRS both improved efficiency and effectiveness.

¹ *Enhanced Reliability Alarm System*

To be considered for this exemption, the fire alarm system must meet specific criteria; Certification confirming that the fire alarm system has been installed to BS 5839 Part 1 or equivalent. Evidence that the fire alarm system is serviced and maintained in compliance with the recommendations of BS 5839 Part 1 or equivalent. Certification confirming that a fire signal is only obtained when at least two independent triggering signals are present at the same time. This is referred to as a 'Coincidence Alarm' or that the origin of alarm is a sprinkler system, other fixed installation, or call point

The Assistant Chief Fire Officer drew Members attention to first paragraph on page 110 of the agenda pack “No incidents occurred during the 9-month period where the initial AFA daytime non-attendance, was subsequently followed up by a 999 call to a primary fire” which provided assurance to Members that the policy had been accurate and effective over the preceding period.

Retrospective Analysis (had the policy been applied 24/7 since April 2022)

From April 2022 to December 2022 there were a total of 740 AFA attendances with 104 during the day-time hours (subject to the new policy) and 636 during the night-time hours (1900 – 0800). Through analysis of these attendances, it was possible, with a high-level of accuracy, to identify the premises which would and would not have resulted in an attendance had the new policy been applied 24 hours per day.

By discounting relevant premises there would have been c.109 night-time incidents attended and c.527 not attended - unless there was a confirmed fire. A reduction of 527 would have seen an 82.9% decrease in night-time attendances from April 2022 to December 2022. The 5-year average was 565 incidents occurring during night-time hours which would equate to an 80.70% decrease in night-time incidents.

For greater comparison, had the policy been applied 24 hours against a 5-year average of 1281 incidents it would equate to an 83.4% decrease in incident attendances to premises covered by this policy.

Regional Approach

NWFC serves Cumbria, Greater Manchester, and Cheshire Fire and Rescue Services (FRS) and all have AFA policies which include a non-attendance option for certain premises via call challenge:

- Greater Manchester FRS operate their non-attendance policy between 08:00 and 20:00.
- Cumbria FRS and Cheshire FRS operate their non-attendance policy 24-hours per day.
- The Authority’s initial decision was to approach implementation on the basis of daytime implementation in year 1 moving to proposed 24/7 application from year 2.

Future efficiencies

Members noted that in the HMICFRS inspection report dated 2019, the inspectors highlighted that:–

“[...] the service has not taken advantage of the call-challenging protocols which the other fire and rescue services that share the North-West Fire Control centre use. This means that Lancashire FRS may attend more false alarm calls than it needs to”.

The data demonstrated that the change to the AFA policy had resulted in a

reduction in the number of mobilisations for LFRS and produced a reduction in UWFS incidents between the hours of 0800 and 1900. These reductions represented tangible efficiencies in the use of resources and avoided unnecessary disruption to other aspects of service delivery activities. Based on data held, it was estimated that in applying the policy over a 24-hour period it was highly likely to result in overall reduction of c.83.4% in mobilisations to AFA's in these types of premises.

The revised AFA policy did require premises to significantly adapt their policies and procedures to take ownership of the management of activations to their fire alarm system. The transitional nature in which the Service had implemented the policy change made the proposed expansion of the policy to 24-hour application realistic and manageable for those premises concerned. Learning from the first 9-months of implementation had highlighted however, that despite extensive engagement and consultation having taken place, several organisations had not either fully understood, or properly considered the impacts of the change and were still caught unawares. This underpinned the requirement for further extensive engagement over the coming months to support businesses, and those responsible for them, to be the best equipped to manage the impacts of this policy change.

The Assistant Chief Fire Officer highlighted the business risks outlined in the report. He advised that, should the Service not act to continually refine the Automatic Fire Alarm and Unwanted Fire Signal Policy there was a high probability that the next HMICFRS inspection could see a deterioration in LFRS grades in the Efficiency pillar and in respect of Operational Response aspects. In addition, it was acknowledged changing the policy inevitably increased responsibility and risk with businesses. However, fire safety legislation was clear that the responsibility sat with the premises' responsible person not the Fire Authority. Therefore, as previously undertaken for the implementation of changes to the Policy in the first year during the day, there would be further extensive engagement undertaken with commerce and owners of non-sleeping risk premises to inform of the new approach which would be applied overnight.

In response to a question raised by County Councillor Hennessy the Assistant Chief Fire Officer provided reassurance that there was no correlation that efficiencies gained through the adoption of the Policy change would directly lead to job losses and station closures as these were predicated via the emergency cover review process. He advised that the Service was getting busier (as demonstrated through the data presented to the Performance Committee) and as mentioned earlier, in the provision of support to other blue light services to deliver benefits to communities. In addition, the adoption of the Automatic Fire Alarm policy would increase productivity to deliver broader activities known to be effective in reducing risk.

In response to a further question from County Councillor Hennessy, the Assistant Chief Fire Officer provided reassurance that following this policy change the Service would undertake evaluation to understand whether the change had been positive or negative, reviewing and adjusting the policy as appropriate.

	<p>County Councillor O’Toole queried whether actuations at hospitals could be monitored and Chief Executives be contacted if there were too many false alarm calls. In response, The Assistant Chief Fire Officer provided reassurance that any alarm actuations from exempt properties were monitored by Business Safety Advisors who had a systematic approach to engagement and support to businesses through continued dialogue with the aim of reducing activations (which could be due to nuisance activations, an incorrect system design, staff training requirement etc). It was recognised however, that it would not be possible to eradicate false alarm calls altogether. In addition, Area Manager Matt Hamer advised that NHS Chief Executives had been contacted. He confirmed that the Service had a dedicated Fire Safety Manager, as Hospitals’ lead who was currently in London meeting with National Fire Chiefs Council and the national NHS estates team to discuss aligning remediation fire safety work with general estates management.</p> <p>Based on the detailed analysis set out in the report County Councillor O’Toole was pleased to move the proposal as recommended particularly, given HMICFRS inspection report (as detailed on page 111 of the agenda pack) had referred to LFRS not taking advantage of the call-challenging protocols which other members of North West Fire Control centre used.</p> <p>County Councillor Shedwick supported County Councillor O’Toole’s comments. He thanked officers for the detailed report and research undertaken and based on the assurance there would be further extensive engagement he seconded the proposal as recommended.</p> <p>Councillor Williams congratulated officers on a comprehensive report. He commented that although the benefits were obvious cost savings were not identified. He was delighted that jobs were not at risk and that capacity would be generated for more prevention work. He therefore endorsed the proposal. County Councillor Rigby would also have liked to see the financial implications of the benefits from the change in policy. In response the Deputy Chief Fire Officer advised that most of the efficiencies gained were non-cashable as the bulk of the incidents occurred in areas where the Service had wholtime fire crews, therefore capacity would be created for crews to undertake other prevention work.</p> <p>Resolved: That the Planning Committee noted the analysis provided and endorsed that the Service continue with the roll out of the revised Automatic Fire Alarm policy across the full 24-hour period.</p>
24/22	<p>Protection Inspection Programme - Forward Proposals</p>
	<p>The Assistant Chief Fire Officer presented an overview of the report. The three main drivers in the report were: i) to ensure the Service was effectively deploying resources (using the most qualified and knowledgeable inspectors) to review the most complex premises in Lancashire; ii) to make sure that as the delivery of services changed, those changes were integrated into the risk based inspection programme as appropriate; and iii) the Service, teams and individual officer targets were largely driven by the risk based inspection programme therefore targets needed to be realistic and achievable to ensure that the</p>

Service could effectively deliver against the requirements of Lancashire's risk based inspection programme.

The Assistant chief Fire Officer introduced Area Manager Matt Hamer who presented the report.

Nationally, the terminology '*Risk Based Inspection Programme*' (RBIP) was predominantly applied to a list of commercial premises which had undergone some form of scoring, triage or consideration by the Fire Safety Enforcing Authority to deem it warranting an audit by a competent Fire Safety Inspector (FSI). There was no one piece of guidance that Fire and Rescue Services (FRS) could use as the 'how to' for RBIP and there was no national scoring mechanism however, Lancashire Fire and Rescue Service (LFRS) had led on this for several years and continued to shape national thinking.

LFRS existing 'risk based' methodology applied to circa 65k+ premises which, when additional criterion was applied, set an inspection target of the top c.7.4k premises over a 3-year period; equating to c.2.5k audits per annum. This list of 7.4k premises was then referred to as the RBIP.

Issues with inspection programmes being discussed nationally included how best to discharge resources towards i) 'assumed risk' (derived from data) versus ii) 'live risk' (known risks) i.e. Business Fire Safety Check (BFSC) outcomes, complaints, local knowledge, district planning etc. The changes within this proposal were developed with this in mind to afford LFRS the capacity to remain agile to both elements of risk. It was also noted that nationally, the application of a purely assumed weighting or score applied to a premises to determine its level of risk, would result in the same premises being audited time and again. For LFRS this would result in the top c.7.4k premises being audited repeatedly.

The existing weighting/scoring methodology had been strength tested by Lancaster University and was aligned to national guidance and best practice².

The methodology was applied in such a way that focus was driven towards:

- Occupant's sleep - those unfamiliar with the premises and unable to escape without significant assistance and pre-planning (e.g. Hospitals, Nursing & Care Homes)
- Occupants sleep - those unfamiliar with the premises (e.g. Hotels and Hostels)
- Occupants sleep - those familiar with the premises (e.g. blocks of flats)
- Occupants were awake - but unfamiliar with the premises (e.g. theatres, pubs, clubs)

To undertake this work, LFRS Protection department currently had 41 roles with differing levels of responsibility for auditing premises, ranging from:

² IRMP GN.4 '*A risk assessment-based approach to managing a fire safety inspection*' (2009) along with NFCC guidance – '*Preliminary Guidance Technical Note Higher Risk Occupancies*' published in 2021.

- ‘Developing’ Business Safety Advisors (BSA) – no qualifications
- BSA – Level 3 (L3) competent
- ‘Developing’ Fire Safety Inspector – L3 competent, developing to Level 4 (L4).
- Fire Safety Inspector – L4 competent.
- Fire Safety Manager – developing towards Level 5 (L5) or L5 competent.
- Fire Engineers – Level 6/7 competent or developing.

Aligned to each role, LFRS applied a Performance Framework which outlined the inspection targets for each role.

From 1 April 2022 to 31 December 2022, the department had undertaken 6,081 fire safety interventions ranging from audits, building regulation consultations, licensing applications and peak risk inspections out of hours with partner agencies.

As the regulatory environment changed, the requirements placed upon Fire Safety Enforcing Authorities continued to emerge and grow. The laying of new legislation and the creation of the Building Safety Regulator (lead by the Health and Safety Executive) were a few examples which created further demands on the Authority’s ability to inspect against existing practices.

LFRS inspection activity (against its own performance criteria) was reported to His Majesty’s Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS), National Fire Chief Council (NFCC) Protection Policy Reform Unit (PPRU) and in turn the Home Office on a quarterly basis.

With a full complement of competent staff, the current workforce profile could complete c.3k inspections per annum. However due to the demands of recruitment, limited training providers, time to attain competency, new legislation/directives etc. the current capacity could undertake c.1.9k. Under the existing programme, focus was driven to the top c.7.4k premises with only inspections on these premises being reported upon. This resulted in a significant amount of work (c.40% of all inspection activity) being under-reported, purely by virtue of it not being deemed as ‘risk based’. One area which highlighted this was the development of the Business Fire Safety Check (BFSC). As operational crews identified ‘live risk’ which required follow up enforcement activity, the current reporting method did not reflect this work as those premises were not within the top 7.4k of premises within the RBIP.

Likewise, with improvements to strategic relationships with Local Authority Housing teams, Care Quality Commission and care commissioners, further referrals were drawing inspectors away from the top premises deemed as being the RBIP, therefore serving significantly to reducing ‘live’, known risk in other premises types.

With the current trend in new demands, along with the impacts on workforce planning, it was foreseen that LFRS current inspection methodology and performance criteria required redefining to ensure they remained cognisant of ‘live risk’, rather continuing to service residual or consequence risk and drift further from the present performance targets.

Summary of current issues:

- Little scope within capacity, to action 'risk' outside the existing 7.4k RBIP premises.
- Performance reporting was aligned only to the top 7.4k premises.
- The existing methodology and direction would result in the same premises being audited time and again due to 'residual risk' or perceived 'consequence'.
- The requirement to audit these premises on a cyclical basis, resulted in other known-risk premises not being audited.
- The target set for the 3-year period (c.7.4k) was being impacted by competency, staffing numbers and 'other work' which was not being reported or recognised as part of broader risk reduction. As such we would always be under reporting our activity against our target.
- If the existing methodology was applied to existing datasets the current approach would see the target number grow from 7.4k to an estimated 9k premises to audit in 3 years' time, outstripping inspectors' capacity.
- Currently, capacity to achieve improved performance in other aspects of work was limited e.g. responding to Building Regulation consultations within the statutory 15-day timescale.

Forward Plan

It was not proposed that any significant change occurred to the existing RBIP weightings within the methodology. This meant the underpinning (tested) methodology (as now considered by Members under appendix 1) remained, however, it was further strengthened by refining the data and defining more realistic and achievable targets. In time, as systems improved, 'previous outcome' would be included as a weighting. This would see premises with a history of poor or non-compliance being rated as higher risk, and it was in line with emerging guidance.

Following significant work with the premises dataset, moving forward the number of premises in Lancashire to which the Fire Safety Order applied could be greatly refined. By aligning the premises type/use, with both the primary regulator and the competency of staff (in line with the Competency Framework for Fire Safety Regulators) it was possible to more accurately define which premises LFRS was the primary regulator for; along with the level of intervention required. This, in turn, provided a refined list of c.5k higher risk premises³ which LFRS inspectors should audit. Using the refined dataset, this equated to c.3.7k of premises to be audited by a Level 4 qualified inspector and 1.3k of premises to be audited by a Level 3 qualified inspector.

This methodology had been applied across the entire Lancashire commercial premises dataset (c.65k premises) and this new ethos effectively provided a risk-based list of commercial premises. Importantly, it also provided improved granularity to enable the most appropriate fire safety intervention for that

³ 'Higher risk premises' are those whose classification/use is such that, in line with the Competency Framework for Fire Safety Regulators, requires either a L3 or L4 inspector to audit initially.

premises type to be provided, making the most efficient and effective use of resources and competency. This, for example, may be the completion of a BFSC at a very low risk premises, or a Level 4 inspector at a higher risk premises. The tiered intervention approach to the entire inspection programme would enable LFRS to remain 'risk based' and deploy resources across a range of premises types rather than simply focusing on the top 7.4k.

Over the coming months, the Protection department would complete the final elements of the transformation process which would include the proposed changes to the inspection programme. This would also see the area-based teams reshaped to support the delivery of the inspection programme, the Building Safety Regulator and the ongoing delivery and development of the BFSC.

The ongoing development of the dataset would continue over many years as business as usual to ensure resources remained managed efficiently and effectively.

The redefined c.5k higher risk premises would be the key focus for Area-based teams in line with both the performance framework and competency, with a completion target of 36-48 months.

The proposed changes to both the inspection programme targets and performance framework would ensure LFRS remained well placed to meet its inspection programme over the 36–48-month period, whilst also ensuring that it was best placed to service a projected c.3k of BFSC follow on visits by inspecting officers, meet the statutory requirement for completion of Building Regulations submissions, and additionally continued the development of fire safety staff to achieve competence.

Summary of Proposed Changes

- Rename the 'Risk Based Inspection Programme' to the 'Inspection Programme' (IP) incorporating all c.65k commercial premises.
- Apply a tiered fire safety intervention methodology to all commercial premises.
- Define new performance target for the higher risk premises (c.5k over 36-48 months) to balance 'known risk' vs 'unknown risk'.
- Define new performance targets for each role.
- Define the primary regulator for premises types.
- Share LFRS dataset with local authorities (as primary regulator) to assist in their inspection programmes.
- Redefine LFRS inspection programme to both HMICFRS and PPRU as 'defined higher risk premises'.
- Update LFRS recording system to better reflect its approach and enable better reporting into the Combined Fire Authority, HMICFRS and PPRU.

Benefits

Reframing our methodology and changing targets would:

- Allow LFRS to apply a new policy to auditing frequency (up to 48 months for

	<p>higher risk premises) and move away from current targets and align to more realistic figures which reflect all the risk-based work undertaken.</p> <ul style="list-style-type: none"> • Apply the ‘risk based’ methodology to the 65k+ commercial premises however apply a tiered intervention approach (competency-based) i.e. BFSC, L3, L4, L5 inspections etc. • Clearly define LFRS inspection programme methodology to other regulators. • With current capacity (2k audits) LFRS would achieve or over-achieve its yearly performance target. • Create capacity within teams to undertake work in line with the local district planning i.e. peak risk inspections, inspections based upon local KPI issues, joint inspections. • Improve performance in terms of meeting the statutory requirements of Building Regulation consultations. • Be better prepared for future changes and/or direction from central Government e.g. a medium-rise risk review. <p>County Councillor Hennessy queried whether this work presented an income generation opportunity and would provide a better incentive for staff to be retained in the Service. In response the Deputy Chief Fire Officer advised that over the last 10 years, some fire and rescue services had set up a commercial arm of the business but all had determined these were not viable as income generated did not cover costs. In addition, there was the need to ensure there was no conflict of interest (where the regulator assessed itself). LFRS was therefore creating opportunities for all staff at all levels to develop across an agreed pathway in this specialist subject.</p> <p>In response to a question from County Councillor Shedwick regarding the proposed changes of ‘sharing LFRS data sets with local authorities to assist in their inspection programmes’, AM Hamer advised that the Service had a Manager that sat on the Housing Leads Forum. It was recognised that the local authorities worked differently however, as this was a new initiative which would evolve, it also presented an opportunity to share best practice.</p> <p>Resolved: That the Planning Committee noted the information provided and endorse to the Fire Authority that the Service refine the Fire Safety Inspection Programme.</p>
25/22	<p>Business Continuity Planning and Testing</p>
	<p>The Deputy Chief Fire Officer presented the report.</p> <p>In line with the Business Continuity Policy (BCP), Lancashire Fire and Rescue Service (LFRS) was required to test Business Continuity Plans annually. As such, the Service exercised and tested multiple tactical and strategic level BCPs in a Service-wide BCP exercise in November 2022. Consequently, 14 recommendations were identified through a structured debrief and these were in the process of being implemented; namely embedding business continuity within LFRS was highlighted as a priority.</p> <p>Numerous other BCP exercises were being planned to take place in 2023 to validate BCPs created for recent increased or new risks, as well as maintaining</p>

	<p>the annual November BCP exercise for 2023.</p> <p>As a named Category 1 responder under the Civil Contingencies Act 2004. LFRS was required to maintain robust Business Continuity Plans (BCP). In order to achieve this LFRS had taken steps to align with both the Business Continuity Institute's Good Practice Guidelines and the Business Continuity ISO 22301 standard by updating the Business Continuity Management System supporting documents and suite of plans accordingly. The overarching principles of both frameworks required LFRS to review, update and test plans at predetermined intervals based on a Business Impact Analysis for each identified critical activity or process.</p> <p>Resolved: That the Planning Committee:</p> <ul style="list-style-type: none"> i) Accepted the arrangements for the Business Continuity Plan exercising 2023; and ii) Supported strengthening LFRS' resilience through the development, embedding and implementation of a Business Continuity Management System.
26/22	Date of Next Meeting
	<p>The next meeting of the Committee would be held on Monday, 17 July 2023 at 1000 hours in the Main Conference Room at Lancashire Fire and Rescue Service Headquarters, Fulwood.</p> <p>A further meeting date was noted for 20 November 2023 and agreed for 5 February 2024.</p>

LFRS HQ
Fulwood

M Nolan
Clerk to CFA

Lancashire Combined Fire Authority

Meeting to be held on 20 February 2023

Pay Policy Statement for 2023-24

Contact for further information – Elizabeth Sandiford, Head of Human Resources
Tel: 01772 866804

Executive Summary

In accordance with the provisions of the Localism Act 2011 a pay policy statement for 2023/24 has been prepared.

The pay policy publishes data on senior salaries and the structure of the workforce and demonstrates the principles of transparency.

The pay policy statement sets 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 are not chief officers.

The statement includes:

- 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.
- The publication of and access to information relating to the remuneration of chief officers.

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

Recommendation

The Authority is asked to approve the Pay Policy Statement.

Information

The approval of a pay policy statement cannot be delegated by the Authority to a Panel. The Fire Authority's pay statement must be approved by the 31 March each year. It is recognised when Executive Board pay is raised it will be tightly scrutinised by elected members, staff within the Service and members of the public.

The Authority is asked to approve the Statement hereunder.

Lancashire Fire Authority Pay Policy Statement

Introduction

In accordance with the Localism Act 2011 (Chapter 8 Sections 38 to 43) Lancashire Fire Authority is required to produce a pay policy for each financial year.

Any decision under powers delegated to the Authority's Constitution with regard to remuneration to be taken in 2023/24 will be bound by and must comply with the 2022/23 Statement.

The Director of People & Development must be consulted prior to any decision impacting on remuneration where there is any question regarding compliance with the Statement.

In general terms the Fire Authority recognises terms and conditions negotiated nationally by the National Employers with the National Employees' bodies for 3 distinct staff groups. These are:

- National Joint Council for Brigade Managers (referred to in Lancashire Fire Authority as Principal Officers) of Local Authority Fire and Rescue Services (commonly referred to as 'Gold Book');
- National Joint Council for Local Government Services (commonly referred to as 'Green Book');
- National Joint Council for Local Authority Fire and Rescue Services (commonly referred to as 'Grey Book').

Under the definitions provided for within the Act, the officers included in this pay statement are the Chief Fire Officer (CFO), Deputy Chief Fire Officer (DCFO), Assistant Chief Fire Officer (ACFO), Director of Corporate Services (DoCS) and Director of People & Development (DoPD).

The Treasurer responsibilities are undertaken by the Director of Corporate Services.

The Monitoring Officer duties are undertaken by the Clerk to the Authority who is engaged on a contract for services basis.

The Fire Authority has delegated responsibility for any local terms and conditions, including remuneration for chief officers, to the Appointments Panel/Succession Planning Sub-Committee.

A chosen natural internal benchmark for Chief Officer pay is the percentage rise in firefighters pay. This is the standard for the majority of staff within the Service and has been deemed affordable and proportionate by the National Joint Council (NJC) for Local Authority Fire and Rescue Services. It has been agreed that the Chief Fire Officer's pay with the established linkages for other Executive Board members

should rise by the same amount as NJC for grey book when they receive their annual award.

Any pay rise will be subject to a satisfactory performance evaluation. This will be undertaken with the Chair of the Authority with regard to the Chief Fire Officer, who will in turn appraise his staff. These appraisals determine increases in basic salary; no bonus payments are made to Executive Board members.

Information relating to chief officers pay and benefits in kind is found in the Fire Authority's Statement of Accounts and on the Authority's website.

Objectives of the Policy

The Fire Authority creates and sustains a competent, motivated and well led workforce, to meet current and future organisational needs and to be an employer of choice with improved working practices, work life balance, personal development, health and well-being and fair pay. We are committed to striving to achieve fairness in pay and reward structures across all occupational groups taking into account all the employment relationships that exist.

Changes from national negotiations generally take place each year, in January (Gold Book), April (Green Book) and July (Grey Book). The Fire Authority's policy is to implement national agreements, amended as needed to meet local needs.

A £1,925 increase to all spinal column points for "green book staff" was agreed nationally from 1/4/2022 plus a permanent increase of one additional day's annual leave (wef 1/4/2023) to the annual leave entitlement (pro rata for part timers).

The next anniversary dates for "grey book" and Principal Officers pay was 1 July 2022. The national employers have yet to negotiate an agreed pay award and pay negotiations are ongoing.

In addition to pay the national agreements cover other terms and conditions such as annual leave and allowances for use of private vehicles on Authority business. The Authority pays car allowances in accordance with these national scales.

There are 2 Pension schemes in existence; the Firefighters' 2015 Pension scheme and the Local Government Pension Scheme. Some employees retain legacy scheme pension membership in the Firefighters' Pension Scheme (which became closed to new entrants in 2006) or the New Firefighters' Pension Scheme (which became closed to new entrants on establishment of the 2015 scheme). All firefighters are now members of the 2015 Firefighters Pension Scheme.

All employees may join a pension scheme which is relevant to their occupational group. The operative schemes are statutory schemes with contributions from employers and the employees.

The Local Government Pension Scheme provides for flexible retirement for which the Fire Authority has approved a Policy statement.

The Firefighters' Pension Schemes allow for re-engagement after retirement. Any utilisation of this option is subject to approval by the Authority based on a business case and demonstrated need and may involve abatement of pension benefit where appropriate.

There are 3 pay grades for Grey Book staff (trainee, in development and competent), a spinal column system for Green Book staff where the policy is to start any appointee on the lowest point of the pay grade, save for where an applicant brings specific skills or experience to a post. In respect of Gold Book staff, they are appointed within a range and progress by incremental movement subject to performance until the maximum of the range is reached.

The "green book" grading is determined and underpinned by the Local Government Job Evaluation Scheme. The salaries utilised are above the 'living wage'.

Delegated powers for the payment of honoraria lie with the Chief Fire Officer.

Individual Chief Officers

Changes to chief officer salaries are approved by the Fire Authority.

The chief officers are conditioned to the Gold Book terms and conditions of employment.

A facility exists for the chief officers (either singularly or collectively) to present a case to the Authority (via the Chairman) for a salary increase based on evidence, the overall performance of Lancashire Fire & Rescue Service and an annual appraisal.

Lancashire Fire Authority does not operate a bonus scheme or performance related pay for chief officers.

Chief Officers may claim reimbursement for expenses incurred in the course of carrying out their duties.

Chief Fire Officer (CFO) - £153,121

The post holder is a member of the 2015 Firefighters Pension Scheme and has reached the maximum of his salary range.

The current remuneration for this post on recruitment is between £147,841 and £153,121 pa.

The Chief Fire Officer has a provided car to enable the duties of the post to be performed.

The provisions for redundancy are the statutory payments for redundancy.

Deputy Chief Fire Officer (DCFO) – £142,561

The post holder is a member of the 2015 Firefighters' Pension Scheme and has reached the maximum of his salary range.

The current remuneration for this post on recruitment is between £137,281 - £142,561 pa.

The Deputy Chief Fire Officer has a provided car to enable the duties of the post to be performed.

The provisions for redundancy are the statutory payments for redundancy.

Assistant Chief Fire Officer (ACFO) - £118,273

The post holder is a member of the 2015 Firefighters' Pension Scheme and has two further increments before reaching the maximum of his range.

The current remuneration for this post on recruitment is between £116,161 and £121,441.

The Assistant Chief Fire Officer has a provided car to enable the duties of the post to be performed.

The provisions for redundancy are the statutory payments for redundancy.

Director of People & Development (DoPD) - £108,678

The post holder is a member of the Local Government Pension Scheme and has reached the maximum of his salary range.

The current remuneration for this post on recruitment is £108,678.

There is no provision to utilise the car leasing scheme nor is any car allowance paid. Any mileage reimbursement utilises the casual user arrangement.

The post holder is entitled to discretionary entitlements in relation to redundancy which include average weekly pay with a multiplier of 2.2 applied and in exceptional cases augmentation of pensionable service to the maximum of 3 years. These provisions apply to all staff eligible to join the Local Government Pension Scheme.

Treasurer/Director of Corporate Services (DoCS) - £85,000

The post holder is a member of the Local Government Pension Scheme and has three further increments before reaching the maximum of his salary range.

The current remuneration for this post on recruitment is between £85,000 - £90,000 pa.

There is no provision to utilise the car leasing scheme nor is any car allowance paid. Any mileage reimbursement utilises the casual car user arrangements.

The post holder is entitled to discretionary entitlements in relation to redundancy which include average weekly pay with a multiplier of 2.2 applied and in exceptional cases augmentation of pensionable service to the maximum of 3 years. These provisions apply to all staff eligible to join the Local Government Pension Scheme.

The Clerk to the Authority

The monitoring officer activity is undertaken under a contract for services, the cost being £15,150 pa.

Recruitment of New Officers

The Fire Authority takes the opportunity in year to review the salaries of the senior officer grouping to determine whether the salary range should be adjusted prior to advert.

Pay Floor

The definition of the 'lowest paid employee' is that postholder receiving the lowest (FTE) annual salary (exclusive of Employer pension contributions).

The pay floor level is our Green Book Grade 2 posts (Cooks, Receptionists and Gardener/handypersons) who are on a scale of £21,575 to £21,968 pa. £21,575 equates to £11.41 per hour. The minimum a current employee is receiving is £17,575.

The Chief Fire Officer's earnings ratio is 1:7.10 using the minima of pay grade 2.

The government statement is a recommendation that this ratio should not exceed 1:25.

As a further comparison, the ratio between a competent firefighter with CPD and the maximum salary for the Chief Fire Officer is 1: 4.75.

Business risk

If an appropriate pay statement is not approved for 2023/24 then the Authority will be in breach of the Localism Act and might subject the Authority to negative comment.

Conversely complying with the requirements could also engender negative publicity.

Sustainable linkage provides a clear and equitable framework for the future.

Sustainability or Environmental Impact

Nil.

Equality and Diversity Implications

The Green Book Pay and Grading is determined using an equality proofed job evaluation scheme.

Data Protection (GDPR)

Nil.

HR implications

Future appointments to the Authority's chief officer positions have to be made in compliance with the pay policy statement, which potentially reduces flexibility. Although the document has been produced in line with the requirements of the Act and accompanying guidance, the Authority's employment obligations are not superseded by the Act's requirements and have to be considered. A body of opinion exists that the Act's requirements breach an individual's rights. No case law has been determined in this respect.

Financial implications

Increased costs will be restricted to the affordable limits as set by the National Joint Council for grey book staff.

Local Government (Access to Information) Act 1985

List of background papers

Paper:

Date:

Contact:

Reason for inclusion in Part 2 if appropriate: N/A

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Lancashire Combined Fire Authority

Meeting to be held on 20 February 2023

Treasury Management Strategy 2023/24 (Appendix 1 refers)

Contact for further information:

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

Table 1 Executive Summary and Recommendations

Executive Summary

The report sets out the Treasury Management Policy and Strategy for 2023/24.

The Strategy is based on the capital programme as presented to the Authority elsewhere on the agenda, and the financial implications of this are reflected in the revenue budget, also presented elsewhere on this agenda.

Recommendation

The Authority is asked to:-

- Approve the revised Treasury Management Strategy, including the Prudential Indicators, as set out in the report.
- Agree the Minimum Revenue Provision (MRP) calculation as set out in the report.
- Agree the Treasury Management Policy Statement at Appendix 1.

Information

Treasury Management is defined as “The management of the Authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

The Local Government Act 2003 (the Act) and supporting Regulations requires the Authority to “have regard to” the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Authority’s capital investment plans are affordable, prudent and sustainable. The Code also requires the Authority to approve a treasury management strategy before the start of each financial year. The Authority also adheres to investment guidance issued by the then Ministry of Housing, Communities and Local Government (MHCLG).

The definition of investments in the codes is wide ranging and includes non-treasury investments for example loans to third parties and the holding of property to make a profit. Where these are held, a separate strategy is required. However, it is not considered that the Combined Fire Authority hold any such assets and it does not propose to engage in any such investments in 2023/24.

Treasury Management Strategy for 2023/24

This Strategy Statement has been prepared in accordance with the CIPFA Treasury Management Code of Practice. Accordingly, the Lancashire Combined Fire Authority's Treasury Management Strategy will be approved by the full Authority, and there will also be a mid-year and a year-end outturn report presented to the Resources Committee. In addition, there will 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 is to ensure that those with ultimate responsibility for the treasury management function appreciate fully the implications of treasury management policies and activities, and that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting.

This Authority has adopted the following reporting arrangements in accordance with the requirements of the revised Code: -

Table 2 Treasury Management reporting arrangements

Area of Responsibility	Committee/ Officer	Frequency
Treasury Management Policy Statement	Resources Committee/Authority	Annually
Treasury Management Strategy / Annual Investment Strategy / MRP policy – scrutiny and approval	Resources Committee/ Authority	Annually before the start of the year
Treasury Management mid-year report	Resources Committee	Mid-year
Treasury Management Strategy / Annual Investment Strategy / MRP policy – updates or revisions at other times	Resources Committee	As required
Annual Treasury Management Outturn Report	Resources Committee/ Authority	Annually by 30 September after the end of the year
Treasury Management Monitoring Reports	Director of Corporate Services	Quarterly
Treasury Management Practices	Director of Corporate Services	Annually

The Treasury Management Strategy, covers the following aspects of the Treasury Management function:-

- Prudential Indicators which will 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 following factors need to be considered as they may have a strong influence over the strategy adopted:

- Economic position and forecasts;
- Interest rate forecasts;
- the current structure of the investment and debt portfolio;
- Future Capital Programme and underlying cash forecasts.

Economic background:

Key factors to consider in assessing the impact on the Strategy are the expectation for economic growth, inflation and the possible impact on interest rates.

The overall picture for next year is that growth will be weak with the Bank of England's quarterly Monetary Policy Report (MPR) for November forecasting a prolonged but shallow recession in the UK. The UK economy contracted by 0.3% between July and September 2022 according to the Office for National Statistics, and the Bank of England forecasts Gross Domestic Product (GDP) will decline 0.75% in the second half of the calendar year due to the squeeze on household income from higher energy costs and goods prices. Growth is then expected to continue to fall throughout 2023 and the first half of 2024. The labour market remains tight for now, with the most recent statistics showing the unemployment rate was 3.7%.

CPI inflation is 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 drop out of the annual comparison. The Bank of England forecast that inflation will fall sharply and be below the 2% target, in two years' time and to fall further below the target in three years' time. With any forecast there is uncertainty and the Bank of England state that the risks are to the upside.

Arlingclose Forecast

The Bank of England (BoE) 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 estimate that Bank Rate will continue to rise in 2023 as the Bank of England attempts to subdue inflation which is significantly above its 2% target. They expect that there will be further interest rate rises over the forecast horizon despite looming recession. Bank Rate is forecasted to rise to 4.25% by June 2023. (Subsequent to the forecast being produced the base rate was increased to 4% in February 2023).

Yields are expected to remain broadly at current levels over the medium-term, with 5, 10 and 20-year gilt yields expected to average around 3.5%, 3.5%, and 3.85% respectively over the 3-year period to December 2025.

Details of the latest forecast are shown in the table below:

Table 3 Forecast interest rates

	Bank Rate %	3-month money market rate%	5-year gilt yield %	10-year gilt yield %	20-year gilt yield %	50-year gilt yield %
Dec-22	3.50	3.00	3.43	3.47	3.86	3.46
Mar-23	4.00	4.40	3.60	3.50	3.85	3.60
Jun-23	4.25	4.40	3.80	3.60	3.85	3.60
Sep-23	4.25	4.40	3.80	3.60	3.85	3.60
Dec-23	4.25	4.35	3.80	3.60	3.85	3.60
Mar-24	4.25	4.30	3.70	3.60	3.85	3.60
Jun-24	4.00	4.25	3.60	3.50	3.85	3.60
Sep-24	3.75	4.00	3.50	3.50	3.85	3.60
Dec-24	3.50	3.75	3.40	3.50	3.85	3.60
Mar-25	3.25	3.50	3.30	3.50	3.85	3.60
Jun-25	3.25	3.40	3.30	3.50	3.85	3.60
Sep-25	3.25	3.40	3.30	3.50	3.85	3.60
Dec-25	3.25	3.40	3.30	3.50	3.85	3.60

In the above table 'bank rate' refers to the policy rate of the Bank of England. PWLB borrowing rates are based on 'Gilt Yield' and so this is a forecast of long-term interest rates. The Authority can borrow at 80 basis points above the gilt yield, so for example a fixed interest rate to borrow PWLB money for 10 years would be 4.27%, 3.47% plus 0.80%.

Current Treasury Portfolio Position

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

Table 4 Debt and Investments balances

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	58.0
Fixed rate investments	15.000	42.0
	35.730	100

The level of investments represent 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 is a net investment figure of £34m.

Borrowing and Investment Requirement

In the medium term the Authority borrows for capital purposes only. 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 table below compares the estimated CFR to the debt which currently exists, this gives an indication of the borrowing required. It also shows the estimated resources available for investment. An option is to use these balances to finance the expenditure rather than investing, often referred to as internal borrowing. The table gives an indication of the minimum borrowing or investment requirement through the period.

The CFR forecast includes the impact of the latest forecast of the funding of the Capital Programme which currently assumes that there will 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.

Table 5 Borrowing/Investment Need

	31/03/2022	31/03/2023	31/03/2024	31/03/2025
	£m	£m	£m	£m
Capital Financing Requirement	12.795	12.351	11.868	11.339
<i>Less long-term liabilities (PFI and finance leases)</i>	-12.795	-12.351	-11.868	-11.339
Less external borrowing	-2.000	-2.000	-2.000	-2.000
Borrowing requirement	-2.000	-2.000	-2.000	-2.000
Reserves and working capital	31.571	28.771	22.971	15.871
Borrowing/(Investment) need	33.571	30.771	24.971	17.871

CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. However, the table above shows 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.

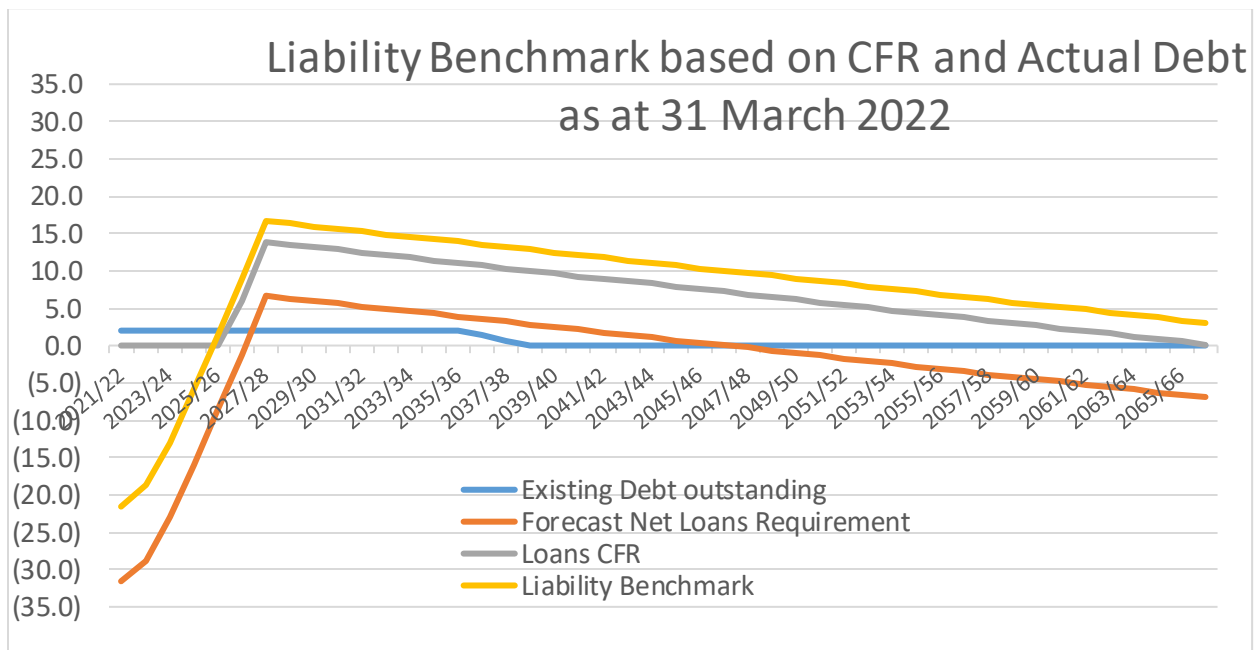
The table above indicates that rather than having a need for borrowing it is estimated that the Authority has an underlying need to invest although the available balances are forecast to reduce.

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

Liability Benchmark

The liability benchmark is an indicator required by the CIPFA Code. It looks to compare the Authority's actual borrowing requirements against an alternative strategy, a liability benchmark, which shows the minimum level of borrowing. This assumes the same forecasts as the table above, but that cash and investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity but minimise credit risk. In addition, it reflects the latest Capital Programme information which shows a borrowing requirement in 2026/27 and 2027/28. The liability benchmark is shown in the graph below:

Graph 1 showing Liability Benchmark and Borrowing Scenarios



The benchmark shows that from 2026/27 there is likely to be a long-term requirement to borrow but that this does not necessarily have to be at the level of the loans CFR, which represents the maximum borrowing. The borrowing requirement is also reducing over time which may influence the length and type of borrowing to be taken.

Borrowing Strategy

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

In the past the Authority has raised all of its long-term borrowing from the Public Works Loan Board, but if long term borrowing was required other sources of finance, such as local authority loans, and bank loans, would be investigated that may be available at more favourable rates.

Short-term borrowing if required would most likely be taken from other local authorities.

Therefore, the approved sources of long-term and short-term borrowing are:

- 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;
- UK public and private sector pension funds.

Policy on Borrowing in Advance of Need

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

In determining whether borrowing will be undertaken in advance of need the authority will:-

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

Debt Restructuring

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 2023 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:-

Table 6 Outstanding Loans

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 change in interest rates, the opportunities for debt repayment/restructuring have been reconsidered.

The level of penalty applicable on early repayment of loans now stands at £0.199m. (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 £1.228m.

Table 7 Implications of Repaying Loans

Penalty incurred	0.199
Savings on interest payable	(1.228)
Gross Saving	(1.029)

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 was at 3.43% 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 4.85% for a 20-year loan and 4.46% 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.

Investment Strategy

At 31st 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 has ranged between £26.7m and £46.9m. The variation arises principally due to the timing of the receipt of government grants. It is anticipated that there will 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 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 receiving unsuitably low investment income.

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

The Authority may invest its surplus funds with any of the counterparties in the table below, subject to the cash and time limits shown.

Table 8 Investment Counterparties

Counterparty		Cash limit	Time limit
Banks and other organisations and securities whose lowest published long-term credit rating from Fitch, Moody's and Standard & Poor's is:	AAA	£5m each	5 years
	AA+		3 years
	AA		2 years
	AA-		2 years
Call Accounts with banks and other organisations with minimum A- credit rating		£10m	next day
Call Account with Lancashire County Council		unlimited	next day
UK Central Government (irrespective of credit rating)		unlimited	50 years
UK Local Authorities (irrespective of credit rating)		£5m each	10 years
Secured Bond Funds AA rating and WAL not more than 3 years		£5m each	n/a
Secured Bond Funds AAA rated and WAL not more than 5 years		£5m each	n/a

Allowable bond funds are defined by credit rating and weighted average life (WAL). Investing in senior secured bonds backed by collateral provides a protection against bail-in. Although the average life of the securities within the fund will be either 3 or 5 years, funds can be redeemed within 2 days of request but in general these should be seen as longer-term investments.

Regarding the risk of investing with another local authority, only a very few authorities have their own credit rating, but those that do are the same or one notch below the UK Government reflecting the fact that they are quasi-Government institutions. On the whole credit ratings are seen as unnecessary by the sector because the statutory and prudential framework within which the authorities operate is amongst the strongest in the world. In addition, any lender to a local authority has protection, under statute, by way of a first charge on the revenues of that authority. No local authority has ever defaulted to date and this also may be an indication of security. However, when the UK credit rating by the rating agencies has been downgraded those local authorities with a rating saw a reduction in their ratings. Therefore, consideration has been given to reducing the risk associated with the investment with other local authorities.

Arlingclose, the County Council's Treasury Management advisor, state they are "comfortable with clients making loans to UK local authorities for periods up to two years, subject to this meeting their approved strategy. For periods longer than two years we recommend that additional due diligence is undertaken prior to a loan being

made." On this basis it is proposed that the investments to local authorities are limited as follows:

Table 9 Investment Limits with Local Authorities

	Maximum individual investment (£m)	Maximum total investment (£m)	Maximum period
Up to 2 years	5	40	2 years
Over 2 years	5	25	10 years

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

Whilst the investment strategy has been amended to allow greater flexibility with investments any decision as to whether to utilise this facility will 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 forms part of the on-going meetings that take place throughout the year.

In respect of banks, taxpayers will no longer bail-out failed banks, instead the required funds will be paid by equity investors and depositors. Local authorities' deposits will be at risk and consequently although currently available within the policy it is unlikely that long term unsecured term deposits will be used at the present time.

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

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

In addition, longer term loans have been placed with UK local authorities to enhance the interest earned. To this end at the following investments are already impacting 2023/24.

Table 10 Current Investments

Start Date	End Date	Principal	Rate	Interest 2023/24
21/03/2022	21/03/2024	£5,000,000	1.50%	£72,945
07/10/2022	06/10/2023	£5,000,000	4.00%	£103,014
27/10/2022	26/10/2023	£5,000,000	3.30%	£94,028

Consideration is given fixing further investments if the maturity fits with estimated cash flows and the rate is considered to be attractive. This will continue to be reviewed. Suggested rates payable by other local authorities indicate:

Table 11 Indicative Interest Rates on Investments with other Local Authorities

3-month investment	3.79 - 3.99%
6-month investment	3.84 - 4.04%
12-month investment	3.94 - 4.14%
3-year investment	3.99 - 4.19%
4-year investment	4.04 - 4.24%

The overall combined amount of interest earned on Fixed/Call balances as at 31st December 2022 is £0.531m on an average balance of £37.01m at an annualised rate of 1.91%. This compares favourably with the benchmark 7-day LIBID rate which averages a yield of 1.81% over the same period.

In addition to the above, the authority uses NatWest for its operational banking. Balances retained in NatWest are very low, usually less than £5,000. However, if required monies are retained at NatWest this would be in addition to the limits set out above.

Minimum Revenue Provision (MRP)

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

The Authority will assess 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 is anticipated that the MRP on loans will be nil in 2023/24 this will be the case until capital expenditure is financed by borrowing.

Whilst the Authority has no unsupported borrowing, nor has any plans to take out any unsupported borrowing in 2023/24 it is 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 will be calculated using the Asset Life Method. This will 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 will be determined under delegated powers. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the Authority. However, the Authority reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

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

Assets held under a PFI contracts and finance leases form part of the Balance Sheet. This has increased the overall capital financing requirement and results in an MRP charge being required. The government guidance permits 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 forms part of the payment due to the PFI contractor.

Revenue Budget

The capital financing budget currently shows that income received exceeds expenditure. This excludes the PFI and Finance lease payments, which are included in other budgets. Based on the Strategy outlined above then the proposed budget for capital financing are:

Table 12 Capital Financing Charges Included in Revenue Budget

	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 produces each year a set of prudential indicators which regulate and control its treasury management activities.

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

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

Treasury Management Prudential Indicators

Table 13 Treasury Management Prudential Indicators

	2022/23 Revised	2023/24	2024/25	2025/26
	£m	£m	£m	£m
1. Adoption of the Revised CIPFA Code of Practice on Treasury Management (2011)	Adopted for all years			
2. Authorised limit for external debt - A prudent estimate of external debt, which includes sufficient headroom for unusual cash movements.				
Borrowing	4.000	4.000	4.000	4.000
Other long-term liabilities	30.000	30.000	30.000	30.000
TOTAL	34.000	34.000	34.000	34.000
3. 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	3.000	3.000	3.000
Other long-term liabilities	16.000	16.000	16.000	15.000
TOTAL	19.000	19.000	19.000	18.000
4. Upper limit for fixed interest rate exposure				
Upper limit of borrowing at fixed rates	100%	100%	100%	100%
Upper limit of investments at fixed rates	100%	100%	100%	100%
5. Upper limit for variable rate exposure				
Upper limit of borrowing at variable rates	50%	50%	50%	50%
Upper limit of investments at variable rates	100%	100%	100%	100%

6. Upper limit for total principal sums invested for over 364 days (per maturity date)	25.000	25.000	25.000	25.000
7. Maturity Structure of Debt	Upper Limit %		Lower Limit %	
Under 12 months	100		-	
12 months and within 24 months	50		-	
24 months and within 5 years	50		-	
5 years and within 10 years	75		-	
10 years and above	100		-	

Financial Implications

It is worth noting that the Authority currently utilises Lancashire County Council to undertake its Treasury Management Activities, at an annual cost of £8k, which is built into the current and future budgets.

Human Resource Implications

None

Equality and Diversity Implications

None

Environmental Impact

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.

Local Government (Access to Information) Act 1985
List of background papers

Paper: CIPFA Treasury Management Code of Practice and Guidance and Treasury Management in the Public Services: Code of Practice

Date: 2018

Contact: Keith Mattinson

Reason for inclusion in Part 2 if appropriate: N/A

Appendix 1

Treasury Management Policy Statement

The Fire Authority adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code), as described in Section 5 of the Code.

Accordingly, the Authority will create and maintain, as the cornerstones for effective treasury management:-

- A treasury management policy statement stating the policies, objectives and approach to risk management of its treasury management activities;
- Suitable treasury management practices (TMPs), setting out the manner in which the Authority will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The Authority delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Resources Committee and for the execution and administration of treasury management decisions to the Director of Corporate Services, who will act in accordance with the organisation's policy statement and TMPs, IMPs and CIPFA's Standard of Professional Practice on treasury management.

The Authority nominates the Resources Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

Definition

The Authority defines its treasury management activities as: the management of the Authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

Risk management

The Fire Authority regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

Value for money

The Fire Authority acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

Borrowing policy

The Fire Authority greatly values revenue budget stability and will therefore borrow the majority of its long-term funding needs at long-term fixed rates of interest. However, short term and variable rate loans may be borrowed to either offset short-term and

variable rate investments or to produce revenue savings. The Authority will also constantly evaluate debt restructuring opportunities of the existing portfolio.

The Fire Authority will set an affordable borrowing limit each year in compliance with the *Local Government Act 2003*, and will have regard to the *CIPFA Prudential Code for Capital Finance in Local Authorities* when setting that limit. It will also set limits on its exposure to changes in interest rates and limits on the maturity structure of its borrowing in the treasury management strategy report each year.

Investment policy

The Fire Authority's primary objectives for the investment of its surplus funds are to protect the principal sums invested from loss, and to ensure adequate liquidity so that funds are available for expenditure when needed. The generation of investment income to support the provision of local authority services is an important, but secondary, objective.

The Fire Authority will have regard to the then Ministry of Housing, Communities and Local Government Guidance on Local Government Investments. It will approve an Investment Strategy each year as part of the Treasury Management Strategy. The strategy will set criteria to determine suitable organisations with which cash may be invested, limits on the maximum duration of such investments and limits on the amount of cash that may be invested with any one organisation.

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Lancashire Combined Fire Authority

Meeting to be held on 20 February 2023

Reserves and Balances Policy (Appendix 1 refers)

Contact for further information:

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

Table 1 Executive Summary and Recommendations

Executive Summary

The Fire Authority needs to hold reserves to meet potential future expenditure requirements.

The reserves policy is based on guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

The policy explains the difference between general reserves (those held to meet unforeseen circumstances) earmarked reserves (those held for a specific purpose) and provisions (where a liability exists but the extent and/or timing of this is uncertain). In addition, the policy identifies how the Authority determine the appropriate level of reserves and what these are.

The policy confirms that the level of and the appropriateness of reserves will be reported on as part of the annual budget setting process and as part of the year end accounting process.

The most significant issues are: -

- General reserves are sufficient to meet current requirements. However, there is a great deal of uncertainty as to the level of costs, and who will bear these, relating to changes to the Firefighter pension scheme.
- Earmarked reserves will reduce over the 5-year period.
- The PFI reserve reduces over the remaining life of the two schemes.
- Capital reserves will be fully utilised over the 5-year programme.
- Provisions will remain at broadly the same level.

Recommendation

The Authority is requested to approve the policy and note the Treasurer's advice on the level of reserves included within it.

Reserves and Balances Policy

The National Framework includes a section on reserves. The main components of which are: -

- General reserves should be held by the fire and rescue authority and managed to balance funding and spending priorities and to manage risks. This should be established as part of the medium-term financial planning process.
- Each fire and rescue authority should publish their reserves strategy on their website. The reserves strategy should include details of current and future planned reserve levels, setting out a total amount of reserves and the amount of each specific reserve that is held for each year. The reserves strategy should provide information for at least two years ahead.
- Sufficient information should be provided to enable understanding of the purpose for which each reserve is held and how holding each reserve supports the fire and rescue authority’s medium-term financial plan.
- Information should be set out clearly and understandable for members of the public, and should include:
 - how the level of the general reserve has been set;
 - justification for holding a general reserve larger than five percent of budget;
 - whether the funds in each earmarked reserve are legally or contractually committed, and if so, what amount is so committed; and
 - a summary of what activities or items will be funded by each earmarked reserve, and how these support the fire and rescue authority’s strategy to deliver good quality services to the public.

The reserves policy complies with these requirements.

General Reserves (General Fund)

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

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

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

The following table sets out the purpose of this reserve, how it is utilised, controlled and reviewed.

Table 2 Summary of General Reserves (General Fund)

Name	General Reserves (General Fund)
Purpose	This covers uncertainties in future years budgets, such as: <ul style="list-style-type: none"> • future grant settlements being lower than forecast; • higher levels of inflation than budgeted;

	<ul style="list-style-type: none"> • increasing cost of and changes to pensions; • service demands increasing, putting additional pressure on demand led budgets; • changes in legislation impacting on future service provision; • potential cost of industrial action.
Utilisation	This is utilised to offset any in-year overspend that would occur when comparing budget requirement to the level of funding generated.
Controls	The utilisation of this is agreed as part of the annual budget setting process. Any further utilisation requires the approval of the Resources Committee.
Review	The adequacy of this is reviewed annually, as part of the budget setting process.

Review of Level of Reserves

In determining the appropriate level of general reserves required by the Authority, the Treasurer is required to form a professional judgement on this, taking account of the strategic, operational and financial risk facing the Authority. This is completed based on guidance issued by CIPFA and includes 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 (MTFS) (as set out in the draft budget report elsewhere on this agenda).

For Lancashire Combined Fire Authority this covers 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 our investments, cost associated with maintaining operational cover in the event of Industrial Action etc.

There remains a great deal of uncertainty over long term funding, as a result, the anticipated multi-year settlement has 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 provides a basis for estimating future funding increases, as set out in the revenue budget paper, it does 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 have also been postponed.

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

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

As such the Treasurer considers 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. (Note, it may be possible to reduce this minimum level further if the current grey book 2 year pay offer is accepted.) This is slightly higher than the 5% threshold identified by the Home Office above which the Authority is required to justify why it holds the level of reserves, reflecting the increasing uncertainty about future funding, pension costs and pay awards.

Should reserves fall below this minimum level the following financial year's budget will contain options for increasing reserves back up to this level. (Note, this may take several years to achieve).

Whilst this exercise sets a minimum level of reserves it does not consider what, if any, maximum level of reserves is appropriate. In order to do this, the level of reserves held should be compared with the opportunity cost of holding these, which in simple terms means that if the Authority holds reserves that are too high it is foregoing the opportunity to lower council tax or invest in further service improvements.

Whilst the settlement provides greater flexibility to increase council tax in 2023/24, this is a one-off relaxation of the referendum principles and current indications are that it will not be repeated in future years. Hence the scope to increase council tax in future years to restore depleted reserves is limited, without holding a local referendum. Therefore, any maximum reserve limit must take account of future anticipated financial pressures and must look at the long-term impact of these on the budget and hence the reserve requirement. Based on professional judgement, the Treasurer feels that this should be maintained at £10.0m.

Should this be exceeded the following financial year's budget will 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 is £4.0m, providing scope to utilise approx. £0.25m of reserves.

The draft budget as presented elsewhere on the agenda identifies a funding gap of £0.3m in 2023/24, which could be met from a combination of a drawdown against this reserve and additional in-year savings. The Treasurer therefore considers this reserve is at an appropriate level.

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

- Council tax – The revenue budget assumes that council tax is 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 is not the case, then we may need to utilise reserves in future years to balance the budget.
- Pension costs – the revenue budget assumes that the only pension costs that fall on the Service are employer contributions, and that all other costs are met by the Government via the Pension Holding Account. If this is not the case, then reserves would be required to meet these one-off costs which will be very significant. Furthermore, it assumes that the employer contribution rate will increase by 3% following the next tri-annual revaluation exercise, but at the present time no details are available hence contribution rates could increase by a greater amount.
- Future funding - the revenue budget assumes future funding increases by 5% in 2024/25 followed by 2% increases thereafter. If that is not the case and it is 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 assumes pay awards running at 5% in 2023/24 before returning to the Government's 2% target. If this is not the case each 1% more than this increases 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 are met by additional in-year savings with the balances being drawdown from this reserve, we will potentially see this reserve falling to £3.2m by March 2027. This is below our current minimum requirement. However, the forecasts are subject to a number of variable factors, as set out above, and these will continue to be reviewed to refine forecasts and ensure that reserves remain above our minimum threshold throughout the duration of the MTFS.

Earmarked Reserves

These are reserves created for specific purposes to meet known or anticipated future liabilities and as such are not available to meet other budget pressures. They can only be used for that specific purpose, for which they were established, and as such it is not appropriate to set any specific limits on their level, but as part of the annual accounts process their adequacy will be reviewed and reported on.

The following table sets out the purpose of this reserve, how it is utilised, controlled and reviewed.

Table 3 Summary of Earmarked Reserve

Name	Earmarked
Purpose	This covers monies set aside for specific purposes.
Utilisation	Once set up these reserves can only be used for the specific purpose for which they were established.
Controls	The utilisation of these is discussed at quarterly DFM meetings between the budget holder, relevant Executive Board member, and the Director of Corporate Services.
Review	The level of earmarked reserves is reviewed each year as part of the revenue outturn/annual accounts process to ensure these are reasonable and remain relevant.

The Director of Corporate Services has delegated authority to create new earmarked reserves valued at up to £100,000; any request which exceeds this must be reported to the Resources Committee for approval.

Specific earmarked reserves will be closed when there is no longer a requirement to hold them, at which point they will either hold a nil balance or when any outstanding balance will be transferred into the general reserve.

Level of Earmarked Reserves

The following table provides a breakdown of the £2.6m of earmarked reserves forecast to be held at 31st March 2023, and a forecast of the anticipated position as at 31 March 2028: -

Table 4 Earmarked Reserve Balances

	Forecast at 31 March 2023	Forecast at 31 March 2028	
	£m	£m	
Specific Grant Carried Forward	0.2	-	This reserve carries forward unspent specific grants <ul style="list-style-type: none"> • Protection Uplift Grant • Building Risk Review Grant • Grenfell Infrastructure Grant • ESMCP Grant • Efficiency Grant We anticipated utilising these in the new financial year. There are no contractual or legal obligations against this reserve.
DFM Reserve	0.3	0.3	Devolved Financial Management Reserve enables budget holders to carry forward any surplus or deficit from one financial year to the next, within prescribed limits.

			<p>This reserve provides greater flexibility to individual budget holder to carry forward underspends within their own budget area to meet future costs and optimise the use of resources. Examples of areas where these balances have been used previously would be one-off replacements of equipment, or enhancement to station facilities etc.</p> <p>The levels of individual DFM reserves are reviewed each year as part of the revenue outturn/annual accounts process, to ensure that they are reasonable and that budget holders are not building up excessive reserves. As a result of this exercise, the Authority has stripped out £0.1m and transferred this into the capital funding reserve (referred to later in the report).</p> <p>At present there are no contractual or legal obligations against this reserve, as any such commitments would be included in the base revenue budget.</p>
Insurance Aggregate Stop Loss (ASL)	1.1	1.1	<p>The Authority has Aggregate Stop Losses (ASLs) on both its combined liability insurance policy (£0.4m) and its motor policy (£0.3m). This means that in any one year the Authority's maximum liability for insurance claims is capped at the ASL. As such the Authority can either meet these costs direct from its revenue budget or can set up an earmarked reserve to meet these. Within Lancashire we have chosen to meet the potential costs through a combination of the two. Hence the amount included in the revenue budget reflects charges in a typical year, with the reserve being set up to cover any excess over and above this. As such the reserve, combined with amounts within the revenue budget, provides sufficient cover to meet 2 years' worth of the maximum possible claims, i.e., the ASL. (It is worth noting that the revenue budget allocation has also been reduced in recent years reflecting the claims history. Without holding this reserve to cushion any major claims that may arise this would not have been possible.)</p> <p>None of this reserve is legally committed at the present time, although as soon as a claim arose this position would change.</p>

Prince's Trust	0.4	0.4	<p>This reserve has been established to balance short term funding timing differences and to mitigate the risk of loss of funding and enable short term continuation of team activities, whilst alternative funding is found.</p> <p>Without this reserve any significant loss of funding would have an immediate impact on our ability to deliver the PT programme, and hence improve the lives of younger people. This reserve has been capped at £0.5m.</p> <p>There are no legal or contractual commitments against this, however forecasts show this budget reducing reflecting the uncertainty over future funding.</p>
Apprentices	0.1	-	<p>This reserve was created from previous in-year underspends relating to the appointment of apprentices, which was delayed awaiting national developments.</p> <p>As such the reserve was set up to offset some of the pay/training costs that will be incurred in future years, with the balance being met direct from the revenue budget. This clearly contributes to addressing apprenticeship targets, set by the Government, as well as addressing capacity issues within departments.</p> <p>There are no contractual commitments against this.</p>
Innovation Fund	0.5	0.1	<p>The Authority created an Innovations Fund to meet costs arising from new initiatives/developments which improve service delivery or fire fighter safety, but which are not included in the capital programme. Any requests to utilise the fund require the approval of the Executive Board. The capital program shows £0.4m of this being utilised in 24/25 to fund the provision of a second Vehicle Mounted Data Systems (VMDS) unit in each fire appliances, thus enhancing the capabilities of crews whilst mobile.</p> <p>If the opportunity arises this will be topped up from future savings.</p> <p>None of this reserve is contractually or legally committed at the present time.</p>
	2.6	1.9	

Based on this, the Treasurer believes these are adequate to meet future requirements in the medium term.

PFI Reserve

This reserve was created specifically to smooth out the annual net cost to the Authority of the existing PFI schemes and will be required to meet future contract payments.

The following table sets out the purpose of this reserve, how it is utilised, controlled and reviewed.

Table 5 Summary of Earmarked Reserve

Name	Earmarked
Purpose	This covers monies set aside to smooth out costs associated with the Authorities PFI schemes and is required to meet future contract payments.
Utilisation	This reserve can only be used for the specific purpose for which it was established, i.e., meet future PFI costs.
Controls	The utilisation of this is set out in the budget agreed at the start of the year, any variance in requirements from this are agreed by the Treasurer as part of the budget setting/revenue outturn/annual accounts processes.
Review	The level of the reserve is reviewed each year as part of the revenue outturn/annual accounts process to ensure these are reasonable and remain relevant.

Level of PFI Reserve

At 31 March 2023, the Authority anticipates holding £4.9m of PFI reserve. The reduction of this reserve in subsequent years reflecting its drawdown to offset future charges, with the reserve reducing to £3.7m by March 2028.

Assuming the Retail Price Index returns to 3% in future years the whole of this reserve is contractually committed over the next 20 years.

Based on this the Treasurer believes this is adequate to meet future requirements.

Capital Reserves and Receipts

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

Capital Receipts are generated from the sale of surplus assets, which have not yet been utilised to fund the capital programme. Under revised regulations receipts generated between April 2016 and March 2020 can be used to meet qualifying revenue costs, i.e., set up and implementation costs of projects/schemes which are forecast to generate on-going savings. The on-going costs of such projects/schemes do not qualify. Whilst the Authority currently holds £1.7m of capital receipts only

£0.2m of this arose in the relevant period. Given the small amount eligible we do not currently have any plans to use this in line with new regulations and hence for the purpose of planning all capital receipts will be used to meet future capital costs, not qualifying revenue expenditure.

The following table sets out the purpose of this reserve, how it is utilised, controlled and reviewed.

Table 6 Summary of Capital Reserves and Receipts

Name	Capital reserves and receipts
Purpose	This covers monies set aside to fund the future capital programme.
Utilisation	Once set up these reserves can only be used to fund capital expenditure.
Controls	The proposed utilisation of these is reported to the Authority as part of the capital programme setting and monitoring arrangements.
Review	These are reviewed on an annual basis as part of the year end outturn, reported to Resources Committee and as part of the capital budget setting report to the Authority.

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

Based on this, the Treasurer believes these are adequate to meet future requirements in the short to medium term but recognises that they will be exhausted March 2025.

Summary Reserve Position

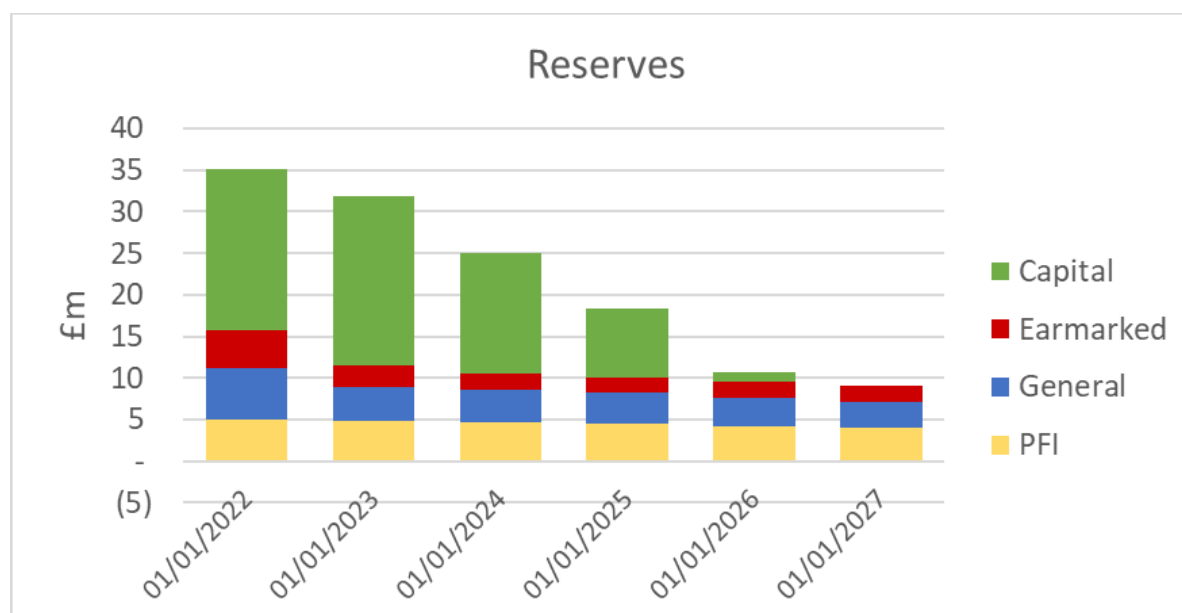
The following table sets out the anticipated position in terms of reserves and balances, a more detailed year on year analysis by reserve is attached as appendix 1: -

Table 7 Summary Use of Reserves March 22 to March 28

	General Reserve	Earmarked Reserve	PFI Reserve	Capital Reserves & Receipts	Total Reserves & Balances
	£m	£m	£m	£m	£m
Balance 31/3/22	(6.0)	(4.7)	(5.1)	(19.4)	(35.1)
Change in year	2.0	2.1	0.2	(0.9)	3.3
Balance 31/3/23	(4.0)	(2.6)	(4.9)	(20.3)	(31.8)
Change in year	0.2	0.1	0.2	5.8	6.2

Balance 31/3/24	(3.9)	(2.0)	(4.7)	(14.5)	(25.1)
Change in year	0.2	0.0	0.2	6.3	6.7
Balance 31/3/25	(3.7)	(1.9)	(4.5)	(8.2)	(18.3)
Change in year	0.4	0.0	0.2	7.0	7.6
Balance 31/3/26	(3.3)	(1.9)	(4.3)	(1.2)	(10.7)
Change in year	0.2	0.0	0.2	1.2	1.6
Balance 31/3/27	(3.1)	(1.9)	(4.0)	0.0	(9.1)
Change in year	(0.0)	0.0	0.3	0.0	0.2
Balance 31/3/28	(3.2)	(1.9)	(3.7)	0.0	(8.8)

Graph 1 Reserve Balances March 22 to March 28



The level of reserves reduces by over £20m over the next 3 financial years, reflecting the scale of the capital programme. Our general reserve remains above our minimum requirement throughout the period, reflecting the increase in council tax included in the revenue budget report. The position will be subject to significant change as pension costs, funding, inflation, pay awards etc become clearer in future years. The annual refresh of this policy will identify the impact of any changes as they develop.

Provisions

In addition to the above reserves the Authority also has two provisions to meet future estimated liabilities: -

Insurance Provision

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

The following table sets out the purpose of this provision, how it is utilised, controlled and reviewed.

Table 8 Summary of Insurance Provision

Name	Insurance Provision
Purpose	This covers monies set aside to meet future insurance claims.
Utilisation	Once set up the provision can only be utilised to meet insurance claims.
Controls	The utilisation of these is reported on an annual basis as part of the year end outturn report presented to Resources Committee.
Review	The level of the provision is reviewed annually based on existing and anticipated outstanding insurance claims to ensure these are reasonable and remain relevant.

This provision stood at £0.6m at 31 March 2022. Given the uncertainty in terms of future insurance claims we have assumed that the provision will be maintained at this level throughout the 5-year period. There are no existing legal obligations associated with this provision, as the legal obligation only arises when settlement of outstanding claims is agreed.

Business Rates Collection Fund Appeals Provision

This covers the Authority's share of outstanding appeals against business rates collection funds, which is calculated each year end by each billing authority within Lancashire based on their assumptions of outstanding appeal success rates, as part of their year-end accounting for the business rates collection fund.

The following table sets out the purpose of this provision, how it is utilised, controlled and reviewed.

Table 9 Summary of Business Rates Collection Fund Appeals Provision

Name	Business Rates Collection Fund Appeals Provision
Purpose	This covers monies set aside to meet the Authority's share of the cost of successful business rates appeals.
Utilisation	Once set up the provision can only be utilised to meet costs associated with settlement of such appeals.
Controls	The utilisation of these are reported on an annual basis as part of the year end outturn report presented to Resources Committee.
Review	The level of the provision is reviewed annually based on each billing authority's assumptions regarding success rates to ensure these are reasonable and remain relevant.

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 will be utilised in the current financial year, reflecting the settlement of outstanding appeals, it is impossible to accurately predict the extent of this usage or the need for any additional provision to meet appeals that arise in year, until such time as a full review is undertaken by billing authorities as part of the financial year end process. Therefore, for the purpose of this report we have assumed that the level of business rates appeals provision remains unchanged. Until the outcome of any appeal is known there is no legal obligation arising from the appeal.

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

Financial Risk

There is a risk that the level of reserves will not be sufficient to meet future requirements, this policy and the subsequent reporting mechanism is designed to mitigate this.

HR Risk

None.

Equality and Diversity Implications

None.

Environmental Impact

None.

Business Risk Implications

The management of reserves forms a key element of our budget strategy. Having an agreed policy, within which we can manage our reserves, provides clearer

accountability, and reduces the risk of the Authority maintaining an inappropriate level of reserves, either too high or too low.

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

Paper: Revenue and Capital Budget Reports

Date: 2023

Contact: Keith Mattinson

Reason for inclusion in Part 2 if appropriate: N/A

Appendix 1

Reserve Balances by Year

Table 11 Detailed Use of Reserves March 23 to March 28

	31/03/23	31/03/24	31/03/25	31/03/26	31/03/27	31/03/28
	£m	£m	£m	£m	£m	£m
General	4.0	3.9	3.7	3.3	3.2	3.2
Earmarked						
Specific Grants	0.2	-	-	-	-	-
DFM	0.3	0.3	0.3	0.3	0.3	0.3
Insurance ASL	1.1	1.1	1.1	1.1	1.1	1.1
Princes Trust	0.4	0.4	0.4	0.4	0.4	0.4
Apprentices	0.1	-	-	-	-	-
Innovation Fund	0.5	0.2	0.1	0.1	0.1	0.1
	2.6	2.0	1.9	1.9	1.9	1.9
PFI	4.9	4.7	4.5	4.3	4.0	3.7
Capital Reserves & Receipts	20.3	14.5	8.2	1.2	-	-
Total Reserves	31.8	25.1	18.3	10.7	9.1	8.8
Provisions						
Insurance	0.6	0.6	0.6	0.6	0.6	0.6
Business Rate Collection Fund Appeals	0.9	0.9	0.9	0.9	0.9	0.9
	1.5	1.5	1.5	1.5	1.5	1.5
	33.83	26.6	19.8	12.2	10.6	10.3

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Lancashire Combined Fire Authority

Meeting to be held on 20 February 2023

Capital Strategy and Budget 2023/24-2027/28 (Appendix 1 refers)

Contact for further information:

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

Table 1 Executive Summary and Recommendations

Executive Summary

The report sets out the draft capital programme for 2023/24-2027/28.

As in previous years, the draft programme allows for items included within various asset management plans.

The resultant programme of £55.2m is extremely large. As highlighted in the report, the majority of costs and timing relating to property projects are estimates only at this stage and will be refined in due course.

Anticipated capital funding of £41.5m is available over the life of the programme, leaving a shortfall of £13.6m.

As the Authority has already set aside £2m of funding for the programme, hence the programme would require £11.6m of borrowing in its final two years. The cost of this borrowing is incorporated into the revenue budget in future years, but in any case, would only hit the revenue budget in the latter years of the programme, by which time further funding may have been made available. As such, the Treasurer considers that the programme is prudent, sustainable and affordable in the medium term.

Recommendation

The Combined Fire Authority is asked to approve: -

- The Capital Strategy;
- The proposed Capital Budget;
- The Prudential Indicators as set out at Appendix 1.

Capital Budget Strategy

The Authority's capital strategy is designed to ensure that the Authority's capital investment:

- assists in delivering the corporate objectives;
- provides the framework for capital funding and expenditure decisions, ensuring that capital investment is in line with priorities identified in asset management plans;
- ensures statutory requirements are met, i.e. Health and Safety issues;

- supports the Medium-Term Financial Strategy by ensuring all capital investment decisions consider the future impact on revenue budgets;
- demonstrates value for money in ensuring the Authority's assets are enhanced/preserved;
- describes 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 is prepared annually through the budget setting process and is reported to the Authority for approval each February. The programme sets out the capital projects taking place in the financial years 2023/24 to 2027/28 and will 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 originate from approved asset management plans, subject to assessments of ongoing requirements. Bids for new capital projects are evaluated and prioritised by Executive Board prior to seeking Authority approval.

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

Proposed Capital Budget

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

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

Vehicles

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

Table 2 Vehicle Requirements (Numbers and cost by type per year)

Type of Vehicle	No of Vehicles				
	2023/24	2024/2	2025/2	2026/2	2027/2
Pumping Appliance	13	5	6	7	8
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

(Note several of the vehicles shown in 23/24 have already been ordered and are subject to phased payment, hence the cost shown is the element which is due in 2023/24).

Numbers are based on the order date. Several of the vehicles have long lead times, and stage payments, hence the actual timing of spend is subject to change, with any deliveries spanning across years inevitably resulting in the need to move spend between years, usually this will be in the form of slippage into subsequent years, but occasionally there will be a need to pull budget forward to reflect an earlier delivery/stage completion date. This will be reported to Resources Committee as delivery dates are agreed.

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

It is worth noting that Lancashire Fire and Rescue Service (LFRS) currently has several vehicles provided and maintained by Government under New Dimensions (5 Prime Movers and 1 Utility Terrain Vehicle), which under LFRS replacement schedules would be due for replacement during the period of the programme. However, our understanding is that Government will issue replacement vehicles if they are beyond economic repair, or if the national provision requirement changes. Should LFRS be required to purchase replacement vehicles, grant from Government may be available to fund them. Based on the current position, we have not included these vehicles (or any potential grant) in our replacement plan.

In addition, Fleet Services continue to review future requirements for the replacement of all vehicles in the portfolio, hence there may be some scope to modify requirements as these reviews are completed, and future replacement programmes will be adjusted accordingly. It is worth noting that as electric vehicles continue to develop, we will consider the suitability of these for future replacements which, based on current price differentials, will increase the costs shown above.

Operational Equipment

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

Table 3 Equipment Requirements (Cost per year)

	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

The replacement Breathing Apparatus project is in its early stages. Until such time as actual requirements in terms of type, numbers, telemetry and communications are known, we will not be in a position to produce a more accurate cost or timing projection, however we currently anticipate some phasing of the implementation, hence costs are spread over 3 years. This may change as we progress through the project.

Body armour requirements are subject to a trial and hence requirements may change following the outcome of this.

ICT

The spend is on replacement/upgraded systems. All replacements identified in the programme will 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.

Table 4 ICT Requirements (Cost per year)

	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

(Note HR and Payroll and the Finance system are both outsourced and form part of on-going Service Level Agreements (SLAs), as such no allowance has been made for their future replacement, as it is assumed that any replacement costs are covered by the existing SLA. If at some point the Service moved away from the current SLAs, then we will incur costs in implementing new systems. We have not allowed for this.)

Buildings

The only new scheme included in the above programme is Estate Improvements provision, which is a sum to enable us to make improvements to the estates on an on-going basis.

Table 5 Building Requirements (Cost per year)

	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 must be noted that we are still developing requirements/designs hence costings are indicative only.

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

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

The project to replace SHQ has been pushed back to 2026/27, as a definitive decision on the project is required in order to further develop cost and timing. If the relocation does not go ahead, then we will need to review the existing provision and the need to undertake improvement works to ensure appropriate accommodation provision for the next 10 years.

The budget does not include any allowance for updating our property infrastructure to meet future Electric Vehicle charging requirements. This is estimated at £70k per site, but we need to develop a plan to roll out new electric vehicles in line with future regulations and modify sites to cope with this. It is unrealistic to implement this on a big bang approach, hence some phasing of this roll out will need to be incorporated into future capital programmes.

Total Capital Requirements

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

Table 6 Summary Capital Requirements

	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 gives 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 will incur a financing charge against the revenue budget for the period of the borrowing.

Given the financial position of the Authority we have not needed to borrow since 2007 and repaid a large proportion of our borrowing in October 2017.

Capital Grant

Capital grants are received from other bodies, typically the Government, in order to facilitate the purchase/replacement of capital items.

There is an expectation that the ESMCP project costs will be offset by capital grant, however we have not had any confirmation of this.

To date no other capital grant funding has been made available, nor has any indication been given that capital grant will be available in future years, and hence no allowance has been included in the budget.

Capital Receipts

Capital receipts are 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 expects to hold £1.7m of capital receipts as at 31 March 2023. This will be fully utilised during the 5-year programme.

It is worth highlighting 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 will not be realised within the timeframe of this programme.

Capital Reserves

Capital Reserves have been created from under spends on the revenue budget in order to provide additional funding to support the capital programme in future years. The Authority expects to hold £18.6m of capital reserves as at 31 March 2023. Over the life of the programme, we anticipate 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 this agenda, the revenue contribution to capital is currently set at £4.0m per year, giving total funding of £20.0m over the 5 years. This reduces the need to borrow and hence the capital financing charge associated with this.

Drawdown of Earmarked Reserves

£0.4m has 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 has been made for the drawdown of any of the general reserve.

Total Capital Funding

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

Table 7 Summary Capital Funding

	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 we have a shortfall of £13.6m:

Table 8 Summary Capital Requirements and Funding Available

	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 show there is a significant funding gap.

Impact on the Revenue budget

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

The draft budget as set out shows a need to borrow £13.6m. As we have already set aside £2.0m of funds, this would entail £11.6m of new borrowing. This has 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. (Note both the interest rate and the life over which MRP is charged are subject to change.)

Table 9 Cost of Borrowing

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

Programme Assumptions

It is also worth highlighting that the programme is based around a number of assumptions which could change: -

- All costings are subject to refinement during the design and procurement phases;
- Vehicle replacements are based on the Fleet Asset management Plan, however the scale of replacements in 2023/24 is extremely high and hence some slippage is likely, furthermore whilst we have extended the life of appliances to 13 years a review of our scope to extend this further is underway;
- New Dimensions vehicle replacements are expected to be carried out by Government; however, this position may change;
- No allowance has been made for developments in operational equipment, which may justify future investments. At the present time this would need to be met from the Innovation reserve, of which we have £0.25m remaining, or from the revenue budget;
- ICT software replacements are subject to review prior to replacement, which has led in the past to significant slippage;
- Operational Communications Replacements (ESMCP) are subject to a great deal of uncertainty in terms of both timing and costs as they are related to a national replacement project, in addition there may be grant funding available for this which is also unknown at this time;
- The costs and timing for replacement of Preston Fire Station, investment in STC Props and relocation of SHQ are estimates only at this stage;
- Capital grant may be made available in future years, in order to assist service transformation and greater collaboration, although this is felt to be unlikely.

Summary

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

As noted above, should any of the funding assumptions or expenditure items within the programme change, this will have an impact on the overall affordability of the programme.

Prudential Indicators

The Prudential Code gives 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 is affordable, prudent and sustainable. These Indicators are set out at Appendix 1, along with a brief commentary on each. The Prudential Indicators are based on the programme set out above. These indicators will 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 is to enable the Authority to assess whether its proposed spending and its financing is affordable, prudent and sustainable and in this context, the Treasurer's assessment is that, based on the indicators, this is the case for the following reasons: -

- In terms of prudence, the level of capital expenditure, in absolute terms, is considered to be prudent and sustainable at an annual average of £10.5m over the 3-year period. The trend in the capital financing requirement and the level of external debt are both considered to be within prudent and sustainable levels. Whilst new borrowing is required this only occurs in the last two years of the programme.
- In terms of affordability, the negative ratio of financing costs is attributable to interest receivable exceeding interest payable and Minimum Revenue Provision payments in each of the three years. This reflects the effect of the previous decision to set aside monies to repay debt.

Financial Implications

The financial implications are set out on the report.

Human Resources Implications

None

Equality and Diversity Implications

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

Environmental Impact

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

Business Risk Implications

The capital programme is designed to ensure that the Service has the appropriate assets in order to deliver its services; as such it forms a key element in controlling the risk to which the Authority is exposed.

Local Government (Access to Information) Act 1985

List of background papers

Paper:

Date:

Contact:

Reason for inclusion in Part 2 if appropriate: N/A

Appendix 1

Prudential Code for Capital Finance

Information

The Prudential Code for capital finance, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), is in the form of a professional code of practice to support local authorities in taking decisions on capital expenditure, borrowing and investments. In reaching these decisions the Authority must follow good professional practice and must assess the implications of capital expenditure in terms of affordability, prudence and sustainability. To enable authorities to demonstrate that its decisions reflect these principles, the code sets out indicators that must be used and factors which must be considered.

Capital Expenditure and Financing

The objective in consideration of the affordability of the Authority's capital plans is to ensure that total capital expenditure remains within sustainable limits.

Capital expenditure 2021/22 to 2025/26

The actual expenditure for 2020/21 and forecast expenditure 2021/22, and estimates of capital expenditure to be incurred in future years, as per the proposed capital programme and allowing for slippage from the 2021/22 programme, are:

Table 10 Capital expenditure by year

	2021/22 Actual	2022/23 Forecast	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
	£m	£m	£m	£m	£m
Capital Expenditure	3.350	3.271	10.116	10.320	12.015

This indicator for 2022/23 will also be updated at the year-end to reflect actual capital expenditure incurred.

Capital Financing 2021/22 to 2025/26

All capital expenditure must be financed, either from external resources (government grants and other contributions), the Authority's own resources (revenue contributions, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 11 Capital financing by year

	2021/22 Actual	2022/23 Forecast	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
	£m	£m	£m	£m	£m
Grants and Contributions	-	-	-	-	1.000
Own Resources	3.350	3.271	10.116	10.320	11.015
Debt	-	-	-	-	-
Total	3.350	3.271	10.116	10.320	12.015

Borrowing Strategy

Capital Financing Requirement (CFR) 2021/22 to 2025/26

Table 12 Capital financing requirements by year

	2021/22 Actual	2022/23 Forecast	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
	£m	£m	£m	£m	£m
Capital Financing Requirement (Debt only)	-	-	-	-	-

The capital financing requirement measures the authority's underlying need to borrow for a capital purpose and reflects the effects of previous investment decisions as well as future planned expenditure. In accordance with best professional practice, the Authority does not associate borrowing with particular items or types of expenditure. External borrowing arises as a consequence of all the financial transactions of the Authority and not simply those arising from capital spending, but in the medium term the Treasurer anticipates that borrowing is undertaken for capital purposes only. These capital financing requirements then feed through into the anticipated level of external debt as reported in the Treasury Management Strategy elsewhere on the agenda but repeated here for completeness. As reported in the Treasury Management Strategy the Authority has made additional MRP provisions since 2010/11 in order to reduce capital financing requirements to nil.

Authorised Limit and Operational Boundary for its Total External Debt

In respect of its external debt the Authority is required to set two limits over the three-year period: an authorised limit and an operational boundary. Both are based on the planned capital expenditure, estimates of the capital financing requirement and estimates of cash flow requirements for all purposes. It should be noted that these limits have then been uplifted to include potential borrowing associated with a future decision to go ahead with a replacement Headquarters.

The operational boundary is based on the most likely, but not worst case, scenario and represents the maximum level of external debt projected by these estimates. However, unexpected cashflow movements can occur during the year and some provision needs to be made in setting the authorised limit to deal with this.

The two indicators are as follows:

Table 13 Borrowing Limits by year

	2021/22 Actual	2022/23 Forecast	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
	£m	£m	£m	£m	£m
Authorised Limit for External Debt					
Borrowing	6,000	4,000	4,000	4,000	4,000
Other long-term liabilities	30,000	30,000	30,000	30,000	30,000
Total	36,000	34,000	34,000	34,000	34,000
Operational Boundary for External Debt					
Borrowing	3,000	3,000	3,000	3,000	3,000
Other long-term liabilities	17,000	16,000	16,000	16,000	15,000
Total	20,000	19,000	19,000	19,000	18,000

Gross Debt and the Capital Financing Requirement

The Prudential Code requires that debt does not exceed the Capital Financing Requirement except in the short term, in order to ensure that over the medium term that debt will only be for capital purposes. This is a key indicator of prudence.

As reported in the Treasury Management Strategy, the Authority has made additional MRP provisions since 2010/11 in order to reduce Capital Financing Requirements and hence the charges associated with this, and in order to set monies aside to pay off debt as it matures. It used these monies to pay off £3.2m of debt in October 2017. As a result of this the level of debt now held, £2.0m, exceeds the capital financing requirement, has been zero after MRP payments made during 2019/20: -

Table 14 Debt and the Capital Financing Requirements by year

	2021/22 Actual	2022/23 Forecast	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
	£m	£m	£m	£m	£m
Debt	2.000	2.000	2.000	2.000	2.000
Capital Financing Requirement	-	-	-	-	-

Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and Minimum Revenue Provision (MRP, or debt repayments) are charged to revenue, offset by interest receivable. The net annual charge is known as financing costs.

As shown within the Treasury Management Strategy report elsewhere on the agenda, the financing costs are as follows:

Table 15 Impact on Revenue Budget by year

	2021/22 Actual	2022/23 Forecast	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
	£m	£m	£m	£m	£m
Interest payable	0.090	0.090	0.090	0.090	0.090
MRP	0.010	0.010	-	-	-
Interest receivable	(0.206)	(0.770)	(1.300)	(1.000)	(0.650)
Net financing costs	(0.106)	(0.680)	(1.210)	(0.910)	(0.560)

Proportion of financing costs to net revenue stream

Table 16 Proportion of financing costs to net revenue stream by year

	2021/22 Actual	2022/23 Forecast	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Net financing costs	(£0.106m)	(£0.680m)	(£1.210m)	(£0.910m)	(£0.560m)
Ratio of Financing Costs to Net Revenue Stream	(0.18%)	(1.08%)	(1.85%)	(1.28%)	(0.76%)

The negative percentage of this indicator reflects the low level of underlying debt (following the repayment of the majority of our long-term loans during 2017/18) for the Authority in comparison to the authority's level of investment income, i.e. interest receivable is significantly higher than interest payable.

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Lancashire Combined Fire Authority

Meeting to be held on 20 February 2023

Revenue Budget 2023/24-2027/28 (Incorporating Medium Term Financial Strategy)

(Appendix 1 – Detailed Council Tax Resolution)

(Appendix 2 – Budget Scenarios)

(Appendix 3 – Analysis of Budget by Service Area)

(Appendix 4 – Analysis of Budget by Type of Expenditure)

Contact for further information:

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

Table 1 Executive Summary and Recommendations

Executive Summary

The report sets out the draft revenue budget for 2023/24-2027/28 and the resultant council tax implications.

Budget requirement has 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.

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 we have assumed that this increases 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 23/24 to £5 for all FRAs.

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

Looking longer term the key variables remain future funding levels, pay awards, pension costs and the successful implementation of the outcome of the Emergency Cover Review. At the present time we are forecasting funding gaps in future years and depending upon the extent of these we will look to deliver further efficiencies and/or utilise reserves to offset these.

Recommendation

The Combined Fire Authority is asked to agree the detailed resolutions set out in Appendix 1.

Information

In line with the Authority's objective to deliver affordable, value for money services the Authority's Budget Strategy remains one of: -

- Delivering services as outlined in the Risk Management Plan and other plans;
- Continuing to invest in improvements in service delivery;
- Continuing to invest in improving facilities;
- Continuing to deliver efficiencies;
- Setting a robust budget;
- Maintaining an adequate level of reserves;
- Maintaining future council tax increases within the Governments referendum principles.

Draft Budget

In order to determine the future budget requirement, the Authority has used the approved 2022/23 budget as a starting point, and has uplifted this for inflation and other known changes and pressures, to arrive at a draft budgetary requirement, prior to utilising any reserves, as set out below: -

Table 2 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

Inflation

The following amounts have been added to the budget in respect of inflationary pressures, in line with current estimates: -

Table 3 Details of Inflation

	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m
The impact of the unbudgeted pay awards in 2022/23: <ul style="list-style-type: none"> • Grey book (operational staff) based on the latest pay offer of 7% (there remains a great deal of uncertainty around the eventual level of the pay award) • Green book (support staff) £1,925 per person 	2.5	-	-	-	-
A 5% allowance has been built in for 2023/24 pay award and 2% thereafter	2.4	1.5	1.2	1.2	1.2
The budget allows for a general 10% inflationary increase next year in respect of non-pay, split across underfunded inflation in 22/23 and an assumed 5% inflation in 23/24. With on-going inflation of 2.5% thereafter. In addition, the on-going budget for energy and fuel has been increased to reflect current rates	2.6	0.5	0.5	0.5	0.5
	7.5	2.0	1.7	1.7	1.7

Each 1% pay award in excess of the above assumptions equates to an additional cost of £0.4m per year for grey book personnel, and £0.1m for green book personnel.

Other Pay Pressures

Table 4 Details of Other Pay Pressures

	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m
Pay has been re-costed, taking account of changes to personnel, grades, public holidays, pension costs etc.	(0.3)	(0.1)	-	0.1	-
Removal of the Employers National Insurance increase of 1.25% in relation to the Health and Social Care levy	(0.4)	-	-	-	-

The 2020 valuation exercise on the Fire Fighters pension is ongoing, with any changes arising from this anticipated to impact the 2024/25. It is not clear what impact this will have but we are likely to see an increase in employer contribution rates, the scale of which is, as yet, unknown. Therefore, we have assumed a 3% increase in the 24/25 budget, pending further clarification.	-	0.8	-	-	-
	(0.7)	0.7	-	0.1	-

Committed Variations

Committed variations are those items which are unavoidable, or which arise from previously agreed policy decisions.

Table 5 Details of Committed Variations

	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m
The budget reflects the reduction in the drawdown against the apprentice levy, net of our 5% co-investment cost, due to the reduction in future FF recruit numbers.	-	0.2	0.1	0.1	-
The budget for pooled PPE has been adjusted in future years to reflect lifecycle replacement requirement, which see a significant increase in 25/26 and beyond reflecting the age profile of our existing stock.	-	-	0.2	(0.1)	0.2
The budget for operational equipment has been adjusted in future years to reflect lifecycle replacement requirement.	0.1	-	-	0.2	(0.2)
The following budgets have been increased to reflect a combination of cost pressures and increased demand:-	0.3	-	-	-	-
• Property					
• ICT					
• Digital					
• Fleet					

The budget for NWFC has been increased to reflect cost pressures within the function, which are passed on to the relevant Authorities, our share of these being 25%. NWFC are commencing a project to replace the mobilizing software, and whilst some project costs are included in the above pressures, this does not include any allowance for the eventual cost of the replacement software, which is likely to be a very significant cost. Hence the cost in future years is likely to increase further but, as yet, we have no details.	0.1	-	-	-	-
The increased capital financing charge in 27/28 reflects borrowing requirements associated with the capital programme (as referred to in the Capital budget report elsewhere on the agenda).	-	-	-	-	0.3
Other.	-	0.1	-	0.1	-
	0.5	0.3	0.3	0.3	0.3

Growth

Table 6 Details of Growth

	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m
There have been some increases in budget relating to specialist functions, such as the Drone Team and our Canine Teams.	0.2	-	-	-	-
	0.2	-	-	-	-

Efficiency Savings

The Authority has a good track record of delivering efficiency savings, with the following savings identified below: -

Table 7 Details of Efficiency Savings

	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m
The outcome of the ECR delivers total savings of £0.4m, with phasing as shown.	(0.5)	0.2	(0.1)	-	-
The budget allows for the following recruits/apprentice FFs each year:- <ul style="list-style-type: none"> • 23/24 – 60 apprentices • 24/25 – 24 apprentices • 25/26 – 24 apprentices • 26/27 – 24 apprentices • 27/28 – 24 apprentices These forecasts take account of the timing of changes to establishment, predominantly arising from the outcome of the ECR, as well as anticipated retirements/early leavers. However, it should be noted that the timing and number of retirements/early leavers has varied significantly in recent years.	(0.2)	(0.3)	-	-	-
A number of temporary posts will be removed in future years.	-	(0.3)	(0.1)	(0.1)	-
Interest receivable has increased in 23/24, reflecting the change in bank base rates, and the increased use of fixed term deposits. This gradually reduces over the life of the strategy, reflecting the reduction in cash balances and falling interest rates in future years	(1.0)	0.4	0.3	0.2	0.1
Other	(0.2)	-	-	-	-
	(1.9)	-	0.1	0.1	0.1

Gross Budget Requirement

As set out above the overall gross budget requirement for each year is as follows: -

Table 8 Gross Budget Requirement

	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m
Draft Gross Budget Requirement	70.3	73.2	75.1	77.3	79.6

Vacancy Factors

The budget needs to take account of forecast vacancy factors arising from retirement and recruitment profiles: -

Table 9 Details of Vacancy Factors

	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m
<p>The vacancy/over establishment factor for whole-time has also been updated and is based on the following: -</p> <ul style="list-style-type: none"> • Each year a number of personnel who have reached full pension benefits delay their retirement. Whilst this varies each year it averages out at approx. 6 personnel at any point in time. As such we have assumed that all bar 6 personnel who can retire do so immediately. • An updated early leavers profile, i.e., personnel who retire before reaching forecast retirement date or who resign or are dismissed, of:- <ul style="list-style-type: none"> ➤ 18 in 23/24 ➤ 12 in 24/25 ➤ 9 in 25/26 ➤ 6 in subsequent years • Recruit numbers are as set out earlier and we assume that all recruits 	(0.3)	(0.2)	0.3	0.1	0.1

successfully complete the course. Overall, this results in a net under-establishment in 23/24, a broadly balanced position in 24/25 and a net over-establishment in 25/26 and beyond. It should be noted that any vacancies are partly offset by a potential increase in overtime costs.					
On Call vacancy factors have been increased from 21% to 25% reflecting the current level of staffing. However, we have assumed that this reduces in future years, reflecting our desire to improve our recruitment and retention of on call personnel, reducing to 15% by 27/28.	(0.8)	(0.7)	(0.7)	(0.6)	(0.5)
Support staff vacancy factor has been set at 7.5% in 23/24, lower than its current level; on the assumption that we are successful in our current recruitment campaigns. We have reduced this in subsequent years, down to 2.5% by 25/26.	(0.7)	(0.5)	(0.2)	(0.2)	(0.3)
	(1.8)	(1.4)	(0.6)	(0.7)	(0.7)

Net Budget Requirement

As set out above the overall net budget requirement for each year is as follows: -

Table 10 Net Budget Requirement

	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m
Draft Budget Requirement	68.5	71.8	74.5	76.6	78.9
Budget Increase	8.7%	4.8%	3.9%	2.8%	2.9%

Grant Funding

The Government's Budget will set the overall total for public sector spending which will then be allocated out to departments as part of the Spending Review, and these are then allocated out to individual Authorities as part of the Local Government Finance Settlement, the final version being announced on 6 February.

Due to economic uncertainty the anticipated multi-year settlement has been postponed again, hence the draft settlement only covers 2023/24.

Similarly, the Fair Funding review, which looked to re-assess the methodology under which funding was allocated to individual authorities, and the implementation of a revised Business Rates Retention Scheme, have both been put on hold for at least a further 12 months.

The 2023/24 Local Government Finance Settlement showed an increase in the Government's Settlement Funding Assessment of 6.05%. The Settlement Funding Assessment comprises:-

Table 11 Details of Settlement Funding Assessment 2023/24

Revenue Support Grant (from the Government)	£9.7m
Business Rates (from local billing authorities)	£11.6m
Business Rates Top-Up (from the Government)	£4.7m
	£26.0m

Looking beyond 2023/24, the policy statement that accompanied the finance settlement 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". We have therefore assumed that the settlement funding assessment will grow in line with inflation in 24/25 (assumed to be 5.0%) and thereafter by 2.0% (the Governments inflation target). The table below sets out our assumed level of funding (Settlement Funding Assessment) over the next 5 years: -

Table 12 Forecast Settlement Funding Assessment 2023/24-2027/28

	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m
Estimated Settlement Funding Assessment	26.0	27.3	27.8	28.4	29.0
Growth	6.0%	5.0%	2.0%	2.0%	2.0%

Service Grant

The Service Grant has been reduced to 0.6m, reflecting the removal of the elements relating to the increase in employer National Insurance Contributions identified last year, but which has now been reversed.

Table 13 Forecast Service Grant

	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m
Service Grant	0.6	0.6	0.6	0.6	0.6

Business Rates Adjustments

We have received final details of Business Rates from billing authorities, confirming that our local retention of business rates at £4.3m, £0.4m than allowed for in the settlement above.

In addition to the above Business Rates the Authority receives Section 31 grant from the Government to compensate for specific reliefs it has agreed as part of policy decisions, i.e., small business relief etc. This year the anticipated grant has increased to £3.9m, reflecting the higher Government multiplier being applied this year. We have assumed these increases in line with inflation in future years.

Billing Authorities have conformed an overall surplus on the collection fund of £133k. Given the volatility of this we have assumed a breakeven position in future years.

Table 14 Forecast Business Rates Adjustments

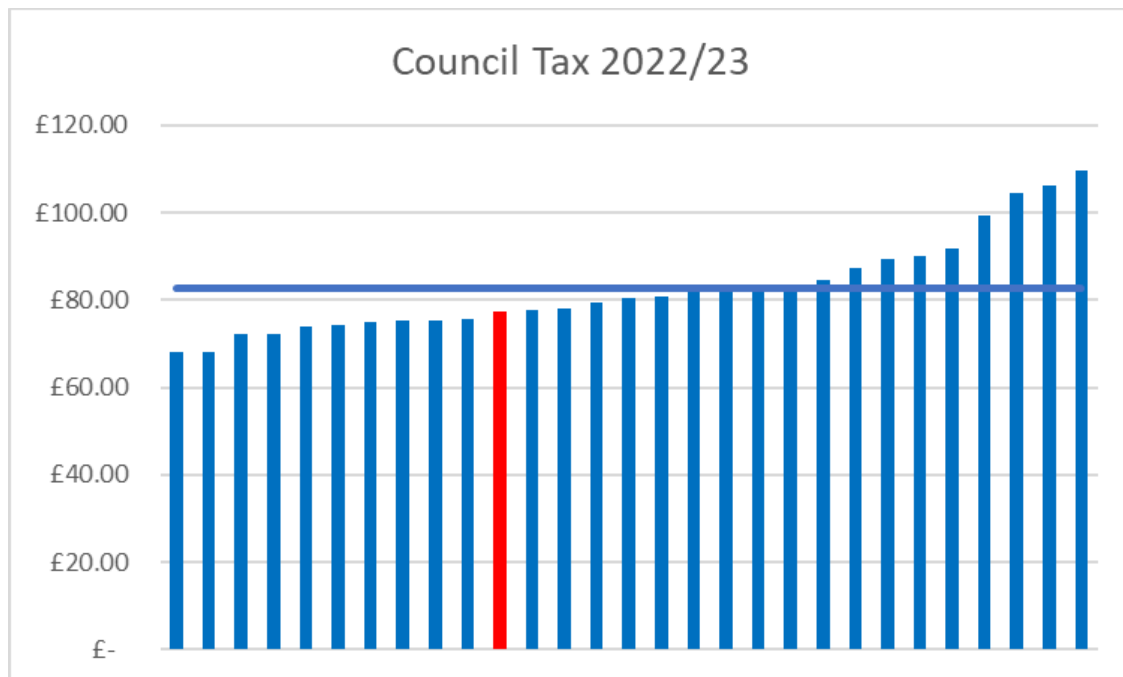
	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m
Local Business Rate adjustment, as per Billing Authorities	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Section 31 Grant – Business Rates Reliefs	3.9	4.0	4.1	4.2	4.3
Business Rates Collection Fund Surplus	0.1	-	-	-	-
Total Business Rates Adjustment	3.6	3.6	3.7	3.8	3.9

Council Tax

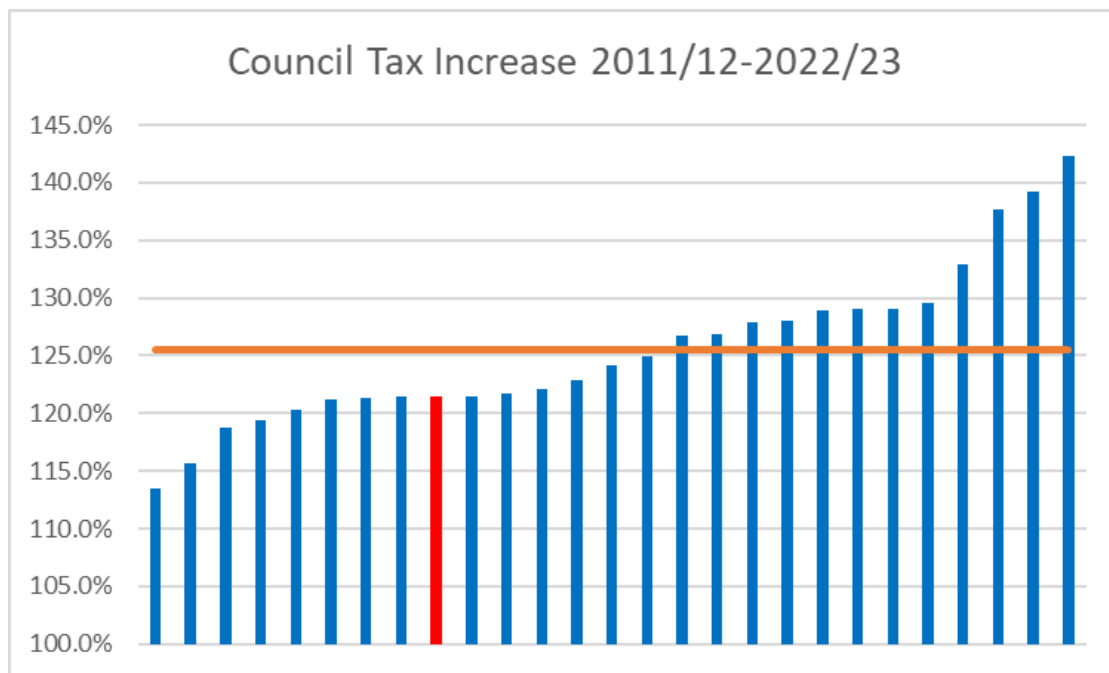
In setting the council tax, the Authority aims to balance the public's requirement for our services with the cost of providing this. As such the underlying principle of any increase in council tax is that this must be seen as reasonable within the context of service provision.

The Authority became a precepting authority on 1 April 2004. Since this our council tax increases have been limited by either capping or the current referendum thresholds set by the Government. As such our council tax increases and hence budget increases have been constrained by these and our desire to deliver value for money services. Last year the Government allowed the 8 FRAs with the lowest precept levels to increase council tax by £5, with Lancashire being one of the Authorities that took advantage of this flexibility. Despite this our council tax of £77.27 is still below the national average of £82.65, and our increase of just 21.4% since 2010/11 compares with an average increase of 25.5% over the same period.

Graph 1 Comparative Council Tax 2022/23



Graph 2 Comparative Council Tax Cumulative Increase 2011-2023



The Local Government Settlement confirmed that the Government setting a 3% core referendum threshold, whilst allowing all Fire Authorities to increase council tax by £5 for one year only in 2023/24. It is worth highlighting that prior to last year this flexibility had not been granted since 2013/14. Furthermore, the Government has confirmed that at the present time its intention is for the 3% referendum threshold to be applied in 24/25.

An increase of £5 would result in a council tax of £82.27 per band D property. Based on our estimated tax base this will generate £2.3m of funding compared with £1.1m from a 3% increase, an additional £1.2m. Furthermore, it should be emphasised that this additional funding will set a new council tax baseline and hence becomes a recurring increase.

Council Tax-Base

The Authority's council tax-base has increased by 1.8% in 2023/24. For the purpose of medium term forecasting we have assumed that the taxbase increases by 1.5% in subsequent years in line with historic averages.

Table 15 Forecast Council Tax-Base

	2023/24	2024/25	2025/26	2026/27	2027/28
Estimated Number of Band D equivalent properties	457,949	464,819	471,791	478,868	486,051

Billing Authorities have now confirmed on overall collection fund surplus is £275k. We have assumed a £400k surplus on the collection fund each, in line with historic averages in future years:-

Table 16 Forecast Council Tax Collection Fund

	£m	£m	£m	£m	£m
	£m	£m	£m	£m	£m
Council Tax Collection Surplus	0.3	0.4	0.4	0.4	0.4

Draft Council Tax Requirements

Table 17 Forecast Council Tax Requirements

	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m
Draft Budget Requirement	68.5	71.8	74.5	76.6	78.9
Less Settlement Funding Assessment	(26.0)	(27.3)	(27.8)	(28.4)	(29.0)
Less Service Grant	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
Less Business Rates Adjustment	(3.6)	(3.6)	(3.7)	(3.8)	(3.9)
Less Council Tax Collection Surplus	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)
Equals Precept	38.0	39.8	41.9	43.4	45.0
Estimated Number of Band D equivalent properties	457,949	464,819	471,791	478,868	486,051
Equates to Council Tax Band D Property	£82.95	£85.55	£88.87	£90.60	£92.51
Increase in Council Tax	7.3%	3.1%	3.9%	1.9%	2.1%

(For information, a 1% change to the council tax equates to £0.35m.)

As can be seen the increases in 23/24, 24/25 and 25/26 are all above the referendum thresholds. As such the Authority will need to reduce its budget requirement in these years in order to deliver a balanced budget within the referendum thresholds:-

Table 18 Budget Reductions Required

	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m
Budget reduction required	0.3	0.4	0.8	0.3	-

The Authority can achieve this by either utilising reserves, identifying additional savings or a combination of both.

Reserves

A reasonable level of reserves is needed to provide an overall safety net against unforeseen circumstances, such as levels of inflation/pay awards in excess of budget provision, unanticipated expenditure on major incidents, and other “demand led” pressures, such as increased pension costs, additional costs associated with national projects, etc. which cannot be contained within the base budget. In addition, they also enable the Authority to provide for expenditure, which was not planned at the time the budget was approved, but which the Authority now wishes to implement.

As such a review of the strategic, operational and financial risk facing the Authority is undertaken each year to identify an appropriate level of reserves to hold, this incorporates issues such as higher than anticipated inflation, including pay awards, increased pension costs, particularly those arising from McCloud Sergeant, successful implementation of the Emergency Cover Review, and costs associated with potential industrial action. given the latest pay offer and the Finance Settlement policy Statements indication about future funding, the treasurer recommends reducing the minimum requirement to £3.75m. As at 31 March 2023 we anticipate holding £4.0m, providing scope to utilise approx. £0.25m of reserves. (Note, it may be possible to reduce this minimum level further if the 2-year pay offer is accepted).

Therefore, the Treasurer considers this reserve is at an appropriate level.

Summary Council Tax 2022/23

We are recommending a £5.00 increase in council tax for an average band D property:-

Table 19 Detailed Council Tax Requirement 2023/24

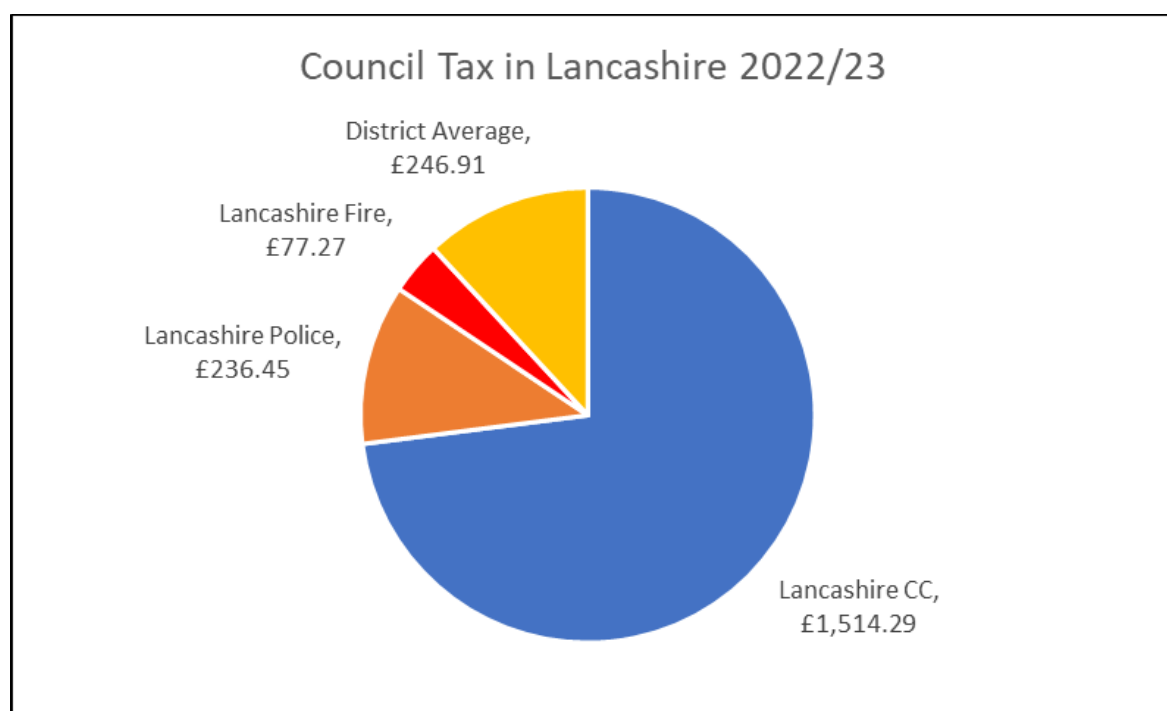
	£m
Gross Budget Requirement	68.5
Less Budget reduction required	(0.3)
Net Budget Requirement	68.2
Less Settlement Funding Assessment	(26.0)
Less Service Grant	(0.6)
Less Business Rates Adjustment	(3.6)
Less Council Tax Collection Surplus	(0.3)

Equals Precept	37.7
Estimated Number of Band D equivalent properties	457,949
Equates to Council Tax Band D Property	£82.27
Increase in Council Tax	£5.00

The increase of £5.00 per annum equating to 10p per week for an average band D property.

It is also worth highlighting that Fire accounts for a very small proportion of the total council tax bill, with the 2022/23 average band D bill in Lancashire being £2,075, of which 'Fire' accounts for £77, less than 4%.

Graph 3 Council Tax in Lancashire 2022/23



Robustness of the Revenue Budget 2023/24

Under Section 25 of the Local Government Act 2003, the Chief Finance Officer is required to make a statement about the robustness of the budget.

The professional opinion of the Treasurer is that the budget has been prepared on a robust basis for the following reasons:

- The budget is reflective of existing service plans;
- The budget takes account of the anticipated on-going revenue impact of current and future capital programmes;
- The allowances included for inflation and pay awards represent a best estimate of the likely cost of this, as set out below:-

Table 20 Inflationary Allowance Included in Budget

	2023/24
Uniformed Pay Award (7% backdated pay award allowed for 22/23)	5.0%
Non-Uniformed Pay Award	5.0%
Non-Pay Inflation (In addition to the backdated adjustments to reflect inflation levels in 22/23)	5.0%

- As part of the budget setting process all estimates, including savings and income forecast, are assessed for reasonableness;
- The situation in respect of future funding, and in particular the outcome of next year's Local Government Finance Settlement and any subsequent Spending Review will be kept under review and reported to the Authority in due course.
- The level of and appropriateness of reserves has been reviewed by the Treasurer, based on the potential risks faced by the Authority;
- The following significant financial risks have all been assessed and the Treasurer feels that these are adequately covered within the budget estimates presented or within the level of reserves currently held: -
 - Reductions in funding levels over and above those forecast;
 - Reduction in funding via Business Rates retention scheme;
 - Reduction in council tax funding due to changes in collection rates, localisation of council tax support, reducing tax base and/or council tax referendum limits;
 - Higher than anticipated inflation;
 - Larger increases in future pension costs/contributions;
 - Significant changes in retirement profiles;
 - Increase in costs arising from demand led pressures, i.e., increasing staff numbers, overtime due to spate conditions or major equipment replacement requirements;
 - Inadequacy of insurance arrangements.

A number of alternative budget scenarios are shown in appendix 2.

Summary and Conclusions

The lack of a multi-year settlement makes longer term planning more difficult as there can be no certainty around future funding forecasts. Offsetting this is the opportunity provided by the £5 council tax flexibility allowed this year.

Raising council tax by the maximum permissible still only increases the overall council tax bill by £5 but generates £2.3m of funding for the Authority. It is proposed to utilise a combination of drawdown from reserves and further savings to bridge funding gap in 23/24 and beyond, the extent of this requirement being dependent upon final pay award agreement and future funding settlements.

As proposed the council tax increase/budget gives greater long term funding certainty which will form the basis of our future investment requirements (as reflected in the Medium-Term Financial Strategy and the Capital Programme), which are essential if we are to hit our 'road to outstanding' ambition and be the best equipped, best trained and best accommodated Service.

Financial Implications

As outlined in the report.

Human Resource Implications

None

Equality & Diversity Resource Implications

The budget as set should enable the Authority to continue to make progress against its equality and diversity targets.

Environmental Implications

The budget as set takes account of the need to invest in environmental issues.

Business Risk

The final approved budget forms a key element of the Authority's risk management process, as it is designed to minimise any financial risks, which the Authority may face.

The Treasurer feels that the budget has been prepared in a robust manner and that the level of reserves held is sufficient to meet any potential risks.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper: Revenue and Capital Budget Reports

Date: 2023

Contact: Keith Mattinson

Reason for inclusion in Part 2 if appropriate: N/A

Appendix 1

Resolution based on a council tax increase of £5.00, resulting in a council tax of £82.27

The Combined Fire Authority is requested to: -

1. note the Treasurer's advice on the robustness of the budget.
2. note the Treasurer's advice on the appropriate level of reserves/balances.
3. agree the revised budget requirement of £68.183m for 2023/24.
4. note the level of Revenue Support Grant Funding £9.727m.
5. note the level of Business Rates Retention Top Up Funding £11.563m.
6. note the level of Local Business Rates Retention Funding £4.311m.
7. note the section 31 grant of £3.863m due in respect of the business rate reliefs.
8. note the business rate tax collection fund surplus of £0.133m.
9. note the level of Service Grant Funding £0.634m.
10. note the net council tax collection fund surplus of £0.276m after allowing for the 3-year spread from 2021/22.
11. agree the council tax requirement, calculated in accordance with Section 42A (4) of the Localism Act of £37.675m.
12. note the council tax base of 457,949 determined for the purposes of Section 42B of the Local Government Finance Act 1992.
13. agree 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:

Table 21 Council Tax by Band

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. agree, 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:

Table 22 Precept by Billing Authority

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

Appendix 2

Budget Scenarios

Without a multi-year settlement is very hard to provide any meaningful funding forecast, however for the purpose of medium-term financial planning we have assumed that funding is increased by 5.0% in 24/25 and 2.0% thereafter. Allowing for a £5 increase in council tax in 23/24 and a 3% council tax increase in future years, in line with the likely referendum principles, the Authority is able to set a balanced budget in the majority of years with minimal use of reserves.

Looking at the medium-term plans it is clear that the key variables remain future funding levels, pay awards and pension costs.

As such additional scenarios are presented below showing the potential impact of:-

- pay awards in future years being 1% higher than allowed for each year;
- a funding freeze in 2025/26 and beyond;
- a 10% reduction in funding in 2025/26 and beyond;
- a potential 5% increase in employer pension contributions in 24/25, as a result of the McCloud pension judgement (the budget already allows for a 3% increase).

As can be seen all of these have a significant impact on the remainder of the medium-term strategy ranging up to a £5m loss of funding or a £3m increase in costs. Although it must be recognised that there may be opportunities to deliver future savings to offset some of these.

Table 23 Budget Scenarios

	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m
Current Budget Gap	(0.3)	(0.4)	(0.8)	(0.3)	-
Revised Gap – Pay awards 1% higher each year	(0.7)	(1.4)	(2.4)	(2.6)	(2.9)
Revised Gap - Funding Freeze 2025/26-2027/28	(0.3)	(0.4)	(1.4)	(1.6)	(1.9)
Revised Gap - 10% Funding Reduction 2025/26-2027/28	(0.3)	(0.4)	(2.4)	(3.7)	(4.9)
Revised Gap – 5% increase in employer pension costs in 24/25	(0.3)	(1.0)	(1.3)	(0.9)	(0.6)

Appendix 3

Analysis of Budget by Service Area

Table 24 Budget by Service Area

	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget
	£m	£m	£m	£m	£m
Service Delivery	39.223	41.090	42.520	43.404	44.402
Prevention and Protection	3.210	3.383	3.475	3.551	3.627
Control	1.610	1.671	1.734	1.799	1.866
Special Projects	0.036	0.037	0.037	0.038	0.038
Service Development	1.962	2.048	2.111	2.155	2.199
Training	4.571	4.456	4.673	4.882	5.066
Fleet Services	3.282	3.403	3.461	3.748	3.581
ICT	3.330	3.415	3.519	3.608	3.699
Digital Transformation	0.609	0.635	0.662	0.625	0.638
Human Resources	1.071	1.119	1.093	1.116	1.139
Occupational Health	0.318	0.330	0.342	0.350	0.357
Corporate Communications	0.386	0.403	0.420	0.429	0.438
Health & Safety	0.288	0.299	0.311	0.318	0.324
Executive Board	1.124	1.177	1.211	1.236	1.261
Central Admin Hub	0.955	0.999	1.045	1.067	1.088
Finance	0.221	0.231	0.242	0.247	0.252
Procurement	0.667	0.676	0.907	0.856	1.080
Property	4.012	4.120	4.232	4.338	4.448
Pensions Expenditure	1.399	1.475	1.480	1.547	1.619
Other Non-DFM Expenditure	0.219	0.791	1.073	1.331	1.754
Gross Budget Requirement	68.493	71.757	74.548	76.642	78.876
Unidentified Savings/Use of Reserves	(0.310)				
Net Budget Requirement	68.183	71.757	74.548	76.642	78.876

Appendix 4

Analysis of Budget by Type of Expenditure

Table 25 Budget by Type of Expenditure

	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget
	£m	£m	£m	£m	£m
Employee					
Uniformed	43.871	45.877	47.228	48.158	49.234
Support staff	8.976	9.161	9.493	9.654	9.870
Pensions	1.392	1.468	1.473	1.540	1.612
Other Employee Related Exp	0.064	0.065	0.067	0.069	0.070
	54.303	56.571	58.261	59.421	60.786
Premises					
R&M	1.235	1.265	1.297	1.329	1.362
Utilities	1.821	1.866	1.913	1.960	2.009
Cleaning	0.070	0.071	0.073	0.074	0.076
PFI	0.743	0.761	0.780	0.800	0.820
Other	0.062	0.064	0.065	0.067	0.068
Rent/Rates	1.415	1.485	1.558	1.635	1.717
	5.344	5.512	5.686	5.866	6.052
Transport					
Repairs	0.950	0.974	0.998	1.023	1.048
Running Costs	0.590	0.605	0.620	0.635	0.651
Travel costs	0.486	0.498	0.511	0.523	0.536
insurance	0.244	0.250	0.256	0.263	0.269
Other	0.006	0.006	0.006	0.006	0.006
	2.276	2.333	2.390	2.450	2.511
Supplies & Services					
Hydrants	0.082	0.084	0.086	0.088	0.090
Operational equipment	0.785	0.825	0.805	1.030	0.799
Clothing & Uniform	0.488	0.483	0.700	0.645	0.865
Printing, stationery, postage	0.519	0.531	0.544	0.558	0.571
Comms-Network Costs	1.178	1.208	1.238	1.269	1.300
Telephony	0.221	0.227	0.233	0.238	0.244
Computers	1.684	1.726	1.769	1.814	1.859
Subsistence	0.105	0.108	0.110	0.113	0.115
Fire Safety Expenses	0.332	0.341	0.349	0.358	0.367
Training Expenses	0.505	0.517	0.530	0.543	0.557
insurance	0.280	0.285	0.291	0.297	0.303
Members Expenses	0.193	0.197	0.202	0.207	0.212
Misc. Equipment	0.099	0.101	0.104	0.106	0.109
Other	1.401	1.590	1.777	2.055	2.172
Catering	0.094	0.097	0.099	0.102	0.104
PTV Residential	0.108	0.110	0.113	0.116	0.119

	8.074	8.431	8.950	9.537	9.787
Other					
Contracted Services	1.274	1.357	1.380	1.311	1.344
Other	0.004	0.004	0.005	0.005	0.005
	1.278	1.362	1.384	1.316	1.348
Capital Financing Costs	4.100	4.100	4.100	4.100	4.400
Income	(6.882)	(6.552)	(6.223)	(6.046)	(6.007)
Gross Budget Requirement	68.493	71.757	74.548	76.642	78.876
Unidentified Savings/Use of Reserves	(0.310)	0.000	0.000	0.000	0.000
Net Budget Requirement	68.183	71.757	74.548	76.642	78.876

Lancashire Combined Fire Authority

Meeting to be held on 20 February 2023

Member Champion Activity Report

Contact for further information:

DCFO Steve Healey – Tel No: 01772 866801

Executive Summary

This paper provides a report on the work of the Member Champions for the period up to 31 January 2023.

Recommendation

The Authority is requested to note and endorse the report and acknowledge the work of the respective Champions.

Information

The concept of Member Champions was introduced in December 2007 with a review of the roles in 2017.

The Authority appoints its Member Champions at its Annual Meeting in June, and the current Member Champions are:

- 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 are provided on a regular basis to the Authority. During this period, all have undertaken their respective role in accordance with the defined terms of reference. Their activity to date is as follows:

Community Safety – Councillor Jean Rigby

Within this reporting period the Pennine Prevention team and Operational crews hosted a joint event with NHS England at Nelson Fire Station. The aim of the event was to encourage uptake of the NHS Health Check within communities that evidentially have low uptake. The event was supported by other partners including Lancashire Red Rose Hub, Inspire, Quit Smoking Squad and Up & Active Fitness. The NHS Health Check is a health check-up for adults in England aged 40 to 74. It is designed to spot early signs of stroke, kidney disease, heart disease, type 2 diabetes and dementia and is also something that is encouraged during a LFRS Home Fire Safety Check through the Safe and Well elements. Data demonstrates that health inequalities are closely linked to a poor outcome in a fire. The event was a success with plans to recreate at other locations.

The Central Prevention team has been looking at different demographics to target that may not have had much input before. The team have successfully engaged with:

- All mosques within their area
- Engagement in Sikh temples
- Created British Sign Language translation clips for easy access in occupiers first preferred language
- Inspire (drug and alcohol), including people in homeless recovery, Mental Health accommodations and rough sleepers outreach
- A hospice within Central – attending support groups for carers and bereavement
- Madrassas (Muslim night schools) to provide all areas of safety

Following Lancashire Fire and Rescue Service (LFRS) signing the Armed Forces Covenant in October, Northern Prevention team has been linking in with the First Light Trust to deliver joint HFSC visits to high-risk veterans. Within this reporting period the Prevention team have also been involved with food banks across the area aligned to the Cost-of-Living campaign and resources. The team has also built a partnership with MenShed to provide the offer of a HFSC and support to their service users. Working with partners is key to targeting prevention activities in the most effective and efficient way and work is constantly ongoing to maintain partnerships and generate new ones that align to identified risk, improving community safety.

The LFRS team of Incident Intelligence Officers represent LFRS at Multi Agency Public Protection Arrangements (MAPPA) and the impact that the Northern and Western area Incident Intelligence Officer has done through this been recognised with a Lancashire Strategic Management Board Public Protection Award.

Equality, Diversity and Inclusion – Councillor Zamir Khan

The Service has several employee voice groups comprising members of staff from underrepresented groups who undertake activity to make LFRS a better place to work for all.

The LGBT+ Group have supported several Pride events across the County using this as an opportunity to promote fire safety advice and promote LFRS as an employer of choice. The Women and Families Group are leading the development of an internal mentoring programme and are currently in the process of planning for an event in March which will promote the role of a firefighter. The Race and Religion Group are contributing to the review of catering arrangements where members of staff attend operational incidents ensuring that the dietary requirements of all members of staff are met and are planning the Service's contribution to the Preston Carnival and the Windrush Festival. The newly established neurodiversity group are exploring how training can be made more accessible and members of the group are trialling different products which can assist people with dyslexia.

Further to several reports in relation to other Services where unacceptable behaviour has taken place, we are reviewing the reports of any cultural reviews to identify any learning or good practice. We have written to all our new firefighters in development advising them of how they can seek support. We have updated our Internet, social media and Acceptable Use Policy and communicated our expectations to members of staff on the use of social media via a range of different communication mechanisms and we continue to take a robust approach to any issues raised through investigation and taking action where required.

Health and Wellbeing & Climate Change Update – County Councillor Andrea Kay

Climate Change and Environment

Each year the Safety, Health and Environment (SHE) Department review waste in April and highlight any stations that need further attention. We work with these over the year to see if waste can be reduced and whether there is more that can be recycled. Waste figures for the last three calendar years has seen a reduction in waste overall. Between 2020 and 2021 there was a reduction of 6%, followed by a 9% reduction between 2021 and 2022. The percentage of waste that was collected as recyclable was 34% this year. LFRS has a zero to landfill contract, so even general waste is utilised for energy from waste, despite not being recyclable in the traditional way.

LFRS currently has 18 recycling banks across the county. In agreement with LFRS' SHE Department, the Fire Fighters Charity has re-surveyed 14 stations for suitability to place a clothes recycling bank. It is possible to place banks at up to half of these, but they need to be reviewed first. The Fire Fighters Charity raise over £500,000 every year from their recycling scheme. With the help of donations, they can continue to increase this figure. Not only does it reduce waste that might otherwise end up in the bin, but it also raises much needed funds. The donated clothing, shoes, handbags and textiles are collected, and wearable clothing is re-used, usually sold in under-developed countries. Any textiles that are unwearable are recycled into such items as industrial wipers and car upholstery and also re-used in the production of many other items.

Health and Wellbeing

A Health, Safety and Wellbeing Plan (2021-2024) was developed in September 2021 to reflect the National Fire Chiefs Council (NFCC) People Strategy. New emerging health, safety and wellbeing risks have been identified in light of the consequences of the COVID pandemic and more recently the cost of living/economic crisis/potential for industrial action; resulting in the Plan being updated for the period 2022 – 2027.

The Health, Safety and Wellbeing Plan details the Health, Safety and Wellbeing risks and priorities within LFRS. The Plan outlines aspirations for the Service to show continuous improvement across all elements of Health and Safety including making mental health a priority in the workplace, to support the integration of the Mind Mental Health at Work Commitment and ISO 45003 (Psychological health and safety at work — Guidelines for managing psychosocial risks).

In December, members of the Trauma Risk Management (TRiM) and Wellbeing Support Dogs (WSD) teams along with Councillor Kay held a Planning Day to develop a draft Wellness Events Calendar to promote wellness across LFRS. Each wellness event will have a TRiM/WSD dedicated lead supported by the SHE Department and other members of the TRiM/WSD teams. The draft calendar will be agreed at HSEAG and formally launched in April 2023. This collaborative approach with LFRS peer supporters will serve to raise awareness of the members of the TRiM and WSD teams as well as promoting engagement with wellbeing activities across the Service in different areas

Road Safety – County Councillor Ron Woollam

Wasted Lives is a Road Safety package aimed at pre – drivers in Years 10 and 11. The updated packages have been well received and the assembly format is proving to be the most popular by far, LFRS now have 3 different assembly versions to better fit the school timetable. Prevention personnel are continuing to run the virtual delivery as an option. Since September nearly 2000 pupils have received the package and staff have been receiving refresher training so that delivery has been increased on area, aligned to risk.

Road Sense is a Year 6 Road Safety Education Package delivered by LFRS. Delivery since September reached nearly 7400 pupils. Feedback from teachers is very favourable. An evaluation tool has been trialled and its use has now been extended, this makes the process of evaluation easier for the teachers and results in better data to evaluate effectiveness. The LFRS Road Sense package has also been uploaded to a National Fire Chiefs Council resource portal and is now being used nationally by other Fire and Rescue Services.

Biker Down continues to be very popular with nearly 165 attendees since September. The Biker Down team have just delivered 2 sessions for HMRC fraud investigators who ride motorcycles. An official letter of thanks was received for this, praising the high quality of delivery. The First Aid kits that were purchased with the CFA Champion budget continue to be a very popular (and useful!) for attendees. The Biker Down team have this week received feedback of one being used following an incident. Course dates for January to March are already fully booked despite the number of tickets available being increased. Planning is underway for '2 Wheels Month' in April where the aim is to deliver 4 courses and increase social media activity. The Facebook followers has increased to over 800 and posts often reach over 1900 people.

LFRS continues to work with partners. Last month joint work was undertaken with Child and Youth Justice Service to deliver a Wasted Lives session to Young People who have been involved in car related crime across the county. As well as a workshop style session the crashed car (a car from a fatal collision) was utilised to confirm the key messages. This proved very successful so future sessions are being planned, with the intention of delivering 3 per year as a rolling programme.

Financial Implications

Activities are within budget.

Business Risk Implications

Whilst no formal obligation is placed on the Authority to have Champions, effective utilisation of such roles offers a number of benefits.

Environmental Impact

The Member Champion role provides leadership on environmental issues and assists in engaging Authority members in strategic objectives relating to protecting the environment.

Equality and Diversity Implications

The Member Champion role provides leadership on equality and diversity issues and assists in engaging Authority members in strategic objectives relating to equality and diversity.

Human Resource Implications

Some Member and Officer time commitments.

Local Government (Access to Information) Act 1985

List of background papers

Paper:

Date:

Contact: DCFO, Steve Healey

Reason for inclusion in Part 2 if appropriate: N/A

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Lancashire Combined Fire Authority

Meeting to be held on 20 February 2023

Fire Protection Report

Assistant Chief Fire Officer Jon Charters, Director of Service Delivery
Tel: 01772 866802

Executive Summary

This report summarises Lancashire Fire and Rescue Service (LFRS) prosecutions pertaining to fire safety offences, in addition to convictions resulting from arson incidents which have been progressed via the criminal justice process.

Given the rapidly evolving regulatory change in building fire safety, an update on Fire Protection and Business Support is also provided, detailing how the Service is adapting delivery, to ensure that we keep pace with the changes and improve public and firefighter safety within the built environment.

Recommendation

The Authority is asked to note the report.

Fire Safety Convictions

Prosecutions

During the period covered by this report, the Service achieved a successful prosecution in relation to Fire Safety offences which occurred during the fire at the Gordon Club in Morecambe during October 2019.

Two persons were sentenced; one received an 8-month custodial for 13 charges, whilst the other was found guilty of 6 charges and received a 6-month sentence, suspended for 12 months and given a 200-hours community order.

The prosecution received press interest, including local and national (link below).

<https://www.lancs.live/news/lancashire-news/terrified-customers-bang-locked-fire-26051620>

The Service also has one other Fire Safety prosecution case currently within the court system for offences under the Regulatory Reform (Fire Safety) Order 2005. The case is provisionally set for trial on 8 September 2023.

Protection teams continue to investigate and build files in relation to ten further cases wherein offences are believed to have been committed under the Regulatory Reform (Fire Safety Order) 2005, involving the following types of premises:

- Specialised Housing / Supported Living Scheme
- Care & Nursing Home

- House in Multiple Occupation used as Student Accommodation
- Mixed commercial and Residential (Takeaway with sleeping above) x2
- Residential Flats x3
- Commercial car repair garage
- Mixed commercial and Residential (restaurant with sleeping above)

Fire Protection and Business Support Information

Business Fire Safety Checks (BFSC)

The BFSC offer, to date (end of January 2023) has seen circa 1.9k checks undertaken across Lancashire with 360 identifying significant fire safety concerns resulting in follow up action by Protection teams. This follow-up action has resulted in both enforcement and prohibition activity highlighting the benefits of this valuable work.

Legislation Changes Update

The new Fire Safety (England) Regulations took effect on 23 January 2023. The regulations make it a requirement for responsible persons of high-rise residential buildings to provide information on their building/s to their local fire and rescue service. The information to be shared includes details of the construction of the external walls, floor and buildings plans, and the information on known faults with key firefighting equipment.

The regulations have been introduced as an important step towards implementing the recommendations of the Grenfell Tower Inquiry Phase 1 report. They apply to England only and are being introduced under Article 24 of the Fire Safety Order. To ensure premises affected by these changes are kept informed and to enable them to adapt and plan to address these changes, we wrote to 1,940 residential flats premises of all heights. We also updated our website to provide information on the changes, with links to the government websites that contain more in-depth guidance. To support the implementation of the new requirements for premises, we have updated the website to enable information to be shared digitally; this includes the reporting of fire safety faults and the submission of building plans and other key information. Engagement sessions were held on the 5th and 12th January 2023 to brief and update responsible persons, managing agents, local housing providers and local strategic housing departments. The sessions were designed to provide awareness of the Fire Safety England Regulations and the individual requirements, based upon buildings of different heights.

Risk Based Inspection Programme

Lancashire Fire and Rescue Service have completed a review of the Risk Based Inspection Programme to ensure it remains accurate and the data enables the Fire Protection teams to work efficiently and effectively to target risk.

Arson Risk Reduction

R v restricted

Brennand Street, Burnley

Date and Time of call – 25/08/2022, 21:57

This incident involved the deliberate ignition of a pile of clothes in the bedroom of a mid-terraced house. The perpetrator, who was the occupier of the property, was rescued by fire service personnel and conveyed to hospital. Damage was moderate by fire to clothes, and severe by smoke to the front bedroom.

The defendant pleaded guilty to 'arson reckless as to whether life was endangered' and was sentenced to 3 years and 8 months imprisonment.

Business Risk

Moderate – Members are made aware of prosecutions related to fire safety activity and/or arson within Lancashire to satisfy themselves that the required robust approach is being pursued.

Environmental Impact

None

Equality and Diversity Implications

None

HR Implications

None

Financial Implications

None

Local Government (Access to Information) Act 1985

List of background papers

Paper:

Date:

Contact:

Reason for inclusion in Part 2 if appropriate: N/a

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Lancashire Combined Fire Authority

Meeting to be held on 20 February 2023

Operational Incidents of Interest

Assistant Chief Fire Officer Jon Charters, Director of Service Delivery

Tel: 01772 866801

Executive Summary

This report provides Members with information relating to operational incidents of interest since the last report to the Authority.

Recommendation

The Authority is asked to note the report.

Information

This report provides Members with information relating to operational incidents of interest over the period 1 December 2022 – 31 January 2023.

The following summarises the incidents with further detail provided within the body of the report:

- Serious Road Traffic Collision in Carnforth (17/12/22)
- Fatal domestic building fire in Fence (17/12/22)
- 9 fire engines attend a waste fire in Whittle-Le-Woods (18/12/22)
- 8 fire engines attend a commercial building fire in Blackpool (26/12/22)
- Rescue of a person from water in Bacup (27/12/22)
- 6 fire engines attend a derelict building fire in Preston (31/12/22)
- 6 fire engines attend a commercial building fire in Lancaster (3/1/23)
- 3 fire engines attend domestic property fire in Padiham (3/1/23)
- Fatal domestic building fire in Blackpool (4/1/23)

LFRS station area:	N14 Carnforth
Date:	17 December 2022
Time:	10:42

Crews from Bolton le Sands, along with a fire engine from Cumbria were mobilised to a road traffic collision in Burton-In-Kendal. On arrival, an additional fire engine was requested due to the complexity of the extrication.

A vehicle containing a family of 2 adults and 2 children had been involved in a head on collision with a van. Both adults were unconscious but breathing when crews arrived and an attending Police officer had already extricated the 2 children prior to the arrival of the fire service. The driver of the van had also managed to get out of their vehicle.

The Ambulance crews on scene had assessed the 2 adult occupants of the car as being in a critical condition. Fire crews used cutting equipment to release the casualties which enabled them to receive life-saving treatment from the paramedics. Both casualties were subsequently flown by helicopter to the nearest trauma unit.

LFRS station area:	P94 Nelson
Date:	17 December 2022
Time:	14:10

Both fire crews from Burnley attended a domestic building fire on Forester Drive in Fence. On arrival firefighters used ventilation fans to clear the smoke, which had been caused by cooking and they quickly located a casualty within the property. Sadly, Ambulance crews confirmed that the casualty was deceased.

Following the investigation by LFRS Incident Intelligence Officers and Police it was found that the death was not a result of the fire incident and there were no suspicious circumstances.

LFRS station area:	S55 Leyland
Date:	18 December 2022
Time:	09:18

A fire engine from Leyland was mobilised to a fire at a landfill site near Dawsons Lane. Thermal cameras monitoring the site had identified a small fire.

Although the fire was only showing in a small area, signs of ignition were present over an area of 30 metres. A further 8 fire engines were requested, along with the High-Volume Pump from Burnley, and these resources were supported by the Command Unit from Fulwood and the Drone Team.

After approximately 4 hours of firefighting and monitoring the temperatures using thermal imaging cameras, the incident was reduced to 2 fire engines. At nightfall, crews left the incident open and returned for a re-inspection the following morning. Firefighters noted a slight increase in temperature overnight which resulted in 2 fire engines and the Water Bowser attending the incident and applying cooling water for several hours. The incident was again left open for inspection the following morning by the LFRS Waste Fire Tactical Advisor.

Fire crews attended over several days, applying water for several hours and leaving the incident open for re-inspection.

The site worked to flatten the waste pile, which required the construction of access roads for plant and machinery. LFRS Waste Fire Tactical Advisors remained involved in multi-agency site meetings for several days and the cause of the fire is not believed to be suspicious.

LFRS station area:	W30 Blackpool
Date:	26 December 2022
Time:	13:41

A call was received to a domestic dwelling on Church Street in Blackpool. Two fire engines from Blackpool were mobilised. Shortly after arrival a further 6 fire engines were requested from South Shore, Bispham, Fleetwood, Preesall, Lytham and St Annes, the Aerial Ladder Platform from Blackpool, Command Unit from Fulwood, and the Drone Team.

The fire involved the first floor of a commercial property which was starting to spread to the surrounding buildings. Six firefighters wearing breathing apparatus entered the

building with firefighting jets to search for casualties and extinguish the fire. The fire continued to develop and became too dangerous for crews to remain inside. Firefighters were withdrawn from the building and the Aerial Ladder Platform was used to fight the fire externally. Simultaneously, fire teams made an entry into the surrounding buildings, which ensured the fire did not spread to these buildings undetected.

The building on fire later collapsed due to the severity of the fire. Apart from water, heat, and smoke damage, crews had successfully managed to prevent fire from spreading to the adjacent properties. However, there were concerns for the safety and structural integrity of the surrounding buildings following the fire. The area was cordoned off whilst detailed inspections were conducted by local authority building control officers.

Fire crews were at the scene for over 24 hours and LFRS Urban Search and Rescue Team assisted in the search for casualties during demolition, for a further 48 hours, supported by the Merseyside FRS Victim Recovery Dog. Thankfully, no casualties were located and the building was handed over to the owners. Following a detailed fire investigation, a definitive cause could not be confirmed due to the damage caused by the fire and the subsequent collapse of the building.

LFRS station area:	P73 Bacup
Date:	27 December 2022
Time:	14:16

A fire engine from Bacup, the Swift Water Rescue Team from Nelson, and the Water Incident Unit from Penwortham, supported by the Drone Team were mobilised to reports of a male in the river, on Huttock End Lane, Stacksteads.

Crews quickly responded and rescued the casualty from the river using ladders and a spinal board. Sadly, the male was declared deceased by paramedics at the scene.

LFRS station area:	C50 Preston
Date:	31 December 2022
Time:	11:34

Six fire crews from Preston, Penwortham, Bamber Bridge and Fulwood, along with the Aerial Ladder Platform from Blackpool attended a disused commercial building fire on Brookfield Street.

The building consisted of 3 floors and was approximately 30m x 40m in size. The fire involved a large quantity of waste material on the 1st floor and firefighters wearing breathing apparatus entered the building with firefighting water jets to extinguish the fire. As the building had evidence of rough sleeping, a thorough search was conducted for any casualties.

Electricity had been illegally routed to the premises, which was made safe by Electricity North-West.

The cause of the fire was not confirmed; fire crews were in attendance at the incident for approximately 7 hours.

LFRS station area:	N11 Lancaster
Date:	3 January 2023
Time:	22:07

Six fire engines from Lancaster, Morecambe, Bolton-le-Sands, Carnforth, and the command support unit from Fulwood, were mobilised to an incident on Caton Road in Lancaster.

The incident involved a hopper containing approximately 15kg of Sodium Hydrosulphite. The chemical had been subject to an unexpected reaction and was giving off a gaseous vapour thought to be Sulphur Dioxide.

The incident had the potential to cause an explosion and as a result, the building was evacuated and LFRS Corporate Communications team sent out public warning and information messages for those in the local area to keep their doors and windows shut, and to avoid the potential harmful atmosphere in the local area.

During the incident, the gas ignited and the fire was extinguished by firefighters wearing breathing apparatus, using firefighting water jets.

Firefighters were at the incident for approximately five hours and the cause of the incident was recorded as accidental.

LFRS station area:	P92 Padiham
Date:	3 January 2023
Time:	07:56

Fire crews from Burnley and Padiham attended a domestic building fire on Cardwell Street in Padiham. On arrival crews observed a fire on the ground floor and smoke was issuing from the first-floor window.

Four firefighters wearing breathing apparatus entered the property to extinguish the fire with firefighting water jets. Whilst tackling the fire, crews noticed that an explosion had occurred within the property. The blast had broken and dislodged one of the windows. Due to the suspicious nature of the fire, LFRS fire investigators worked with the Police to determine the cause, which was recorded as deliberate ignition following the comprehensive investigation.

A male was subsequently charged with arson and remains in custody prior to attending Crown Court. Fire crews remained on scene for approximately 8 hours.

LFRS station area:	W31 Bispham
Date:	4 January 2023
Time:	13:31

A call was received by Lancashire Police to a property on Montpellier Avenue in Bispham. Crews from Blackpool were mobilised to the address and forced entry to the property. They found a severe fire had taken place in a ground floor room which was being used as a temporary bedroom by the occupant. The fire is believed to have developed and subsequently self-extinguished several days prior to being discovered. Sadly, an elderly female was found in the room, and was declared deceased by

paramedics at the scene. LFRS fire investigators and police recorded the cause as accidental.

Business Risk

None

Environmental Impact

Potential impact on local environment in relation to operational incidents. Significant incidents benefit from the attendance of specialist water tower resources (Stingers) which make a positive impact on firefighting operations and reduce the environmental impact.

Equality and Diversity Implications

None

HR Implications

None

Financial Implications

None

Local Government (Access to Information) Act 1985

List of background papers

Paper:

Date:

Contact:

Reason for inclusion in Part 2 if appropriate: N/A

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By virtue of paragraph(s) 3, 4 of Part 1 of Schedule 12A
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