

# Public Document Pack

## Lancashire Combined Fire Authority

**Monday, 19 February 2024 in Washington Hall, Service Training Centre, Euxton commencing at 10.30 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 Lynsey Barr, 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.

Conservative Group - Pendle Room  
Labour 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 Wednesday 13 December 2023 of Performance Committee (Pages 11 - 36)**

#### 6. **Pay Policy Statement 2024/25 (Pages 37 - 44)**

#### 7. **Budget Report 2024/25 (Pages 45 - 94)**

#### 8. **Member Champion Activity Report (Pages 95 - 100)**

9. **Fire Protection Reports (Pages 101 - 104)**

10. **Operational Incidents of Interest (Pages 105 - 110)**

11. **Member Complaints**

Standing item.

12. **Date of Next Meeting**

The next meeting of the Authority will be held on **Monday 22 April 2024** at 10:30 hours at Washington Hall Training Centre, Euxton.

13. **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.

14. **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.

## Lancashire Combined Fire Authority

Monday, 18 December 2023 at 10.30 am in Washington Hall, Service Training Centre, Euxton

### Minutes

#### Present:

D O'Toole (Chair)

#### Councillors

J Shedwick (Vice-Chair)

G Baker

P Britcliffe

S Clarke

M Dad BEM

N Hennessy

J Hugo

T Hurn

F Jackson

H Khan

Z Khan MBE

S Morris

M Pattison

P Rigby

M Salter

S Serridge

J Singleton

D Smith

R Woollam

B Yates

39/23

#### Chairman's Welcome and Introduction

The Chair welcomed Members to the meeting and invited the Chief Fire Officer to give an update on the current commercial building fire in Lancaster.

#### Major Fire Incident in Lancaster

The Chief Fire Officer advised that two weeks ago (Sunday 3 December 2023) ten fire engines from Lancashire and Cumbria were called to a derelict commercial building fire at the former SupaSkips site on Port Royal Avenue, Lancaster. The fire was deep-seated in 13,000 tonnes of compacted waste and was taking time and resources to extinguish. The Service had been on the site every day working with national and local partners. Lancaster City Council had provided funding to clear the site which was now expected to be before Christmas.

#### Gas Explosion in Blackburn

The Chief Fire Officer advised that LFRS had attended a gas explosion on London Road, Blackburn the previous evening. The drone and Service dog were used to assist in the rescue of a casualty from the collapsed building.

#### Demonstration of Hagglund Vehicle

The Chair invited Members to a demonstration of the Hagglund Vehicle on the rise of the meeting. He advised that the all-terrain Hagglund vehicle made it easier to access rural areas during extreme weather events. The Hagglund had now been converted for flood response and would be better able to support the communities in Lancashire.

	<p><b>Staff News</b></p> <p>The Chief Fire Officer advised that the Service had recently celebrated the dedication and talent of over fifty staff who were honoured with long service, good conduct awards, commendations, Star Awards and for academic accomplishments. He also congratulated winners and those shortlisted in the Asian Fire Service Association and the Excellence in Fire and Emergency Awards.</p> <p>The Clerk to the Authority and Monitoring Officer advised the Authority that this would be the last meeting for the Principal Member Services Officer who would be leaving the Service early in the New Year. The Chairman and Leader of the opposition thanked Mrs Brooks for her dedication and reliability over the many years she had been in the role.</p> <p><b>Presentation by Fire Cadets, Isaac Kelly and Kit Nicholls</b></p> <p>The Assistant Chief Fire Officer was pleased to introduce Fire Cadets Isaac Kelly and Kit Nicholls who had attended the meeting to present to Members their experiences and inform of the benefits of the Fire Cadets programme from their personal perspective and for the Service.</p> <p>Members applauded the presentations given. County Councillor Shedwick was pleased there was progression from the Skills for Justice in Fire and Rescue Service Qualification onto a college public sector course.</p> <p>Following a question from County Councillor Hennessy, both cadets confirmed that they had appreciated the opportunity to talk to Members. County Councillor Hennessy added that Isaac and Kit were a credit to themselves, their families, the Service and the Authority and she was pleased that they felt trusted representatives of the Service in the community.</p> <p>In response to a further question from County Councillor Hennessy the Assistant Chief Fire Officer confirmed that recommendations from the cadets had been discussed with cadet leaders and the management team and would be taken forward as appropriate.</p> <p>On behalf of the Authority the Chair wished Isaac and Kit every success in their future careers.</p>
40/23	<p><b>Apologies for Absence</b></p>
	<p>Apologies were received from County Councillors Lorraine Beavers, David Howarth and Jennifer Mein and Councillor Jean Rigby.</p>
41/23	<p><b>Disclosure of Pecuniary and non-Pecuniary Interests</b></p>
	<p>The Chair and Vice-Chair, as Directors of North West Fire Control declared a personal interest in the matter to be considered on the agenda under item 11, North West Fire Control, Continuing the Collaboration. The Clerk confirmed this was a non-pecuniary interest based only on their status as directors and no personal gain or pecuniary interest would result and therefore, whilst it was appreciated the interests had been declared, there was no perceptible conflict of personal interests.</p>

42/23	<b>Minutes of Previous Meeting</b>
	<b>Resolved:</b> - That the Minutes of the CFA held on 18 September 2023 be confirmed and signed by the Chair.
43/23	<b>Minutes of meeting Wednesday, 13 September 2023 of Performance Committee</b>
	<b>Resolved:</b> That the proceedings of the Performance Committee held on 13 September 2023 be noted.
44/23	<b>Minutes of meeting Wednesday, 27 September 2023 of Resources Committee</b>
	<b>Resolved:</b> That the proceedings of the Resources Committee held on 27 September 2023 be noted.
45/23	<b>Minutes of meeting Thursday, 2 November 2023 of Member Training &amp; Development Working Group</b>
	<b>Resolved:</b> That the proceedings of the Member Training and Development Working Group held on 2 November 2023 be noted.
46/23	<b>Minutes of meeting Monday, 20 November 2023 of Planning Committee</b>
	<b>Resolved:</b> That the proceedings of the Planning Committee held on 20 November 2023 be noted.
47/23	<b>Minutes of meeting Tuesday, 28 November 2023 of Audit Committee</b>
	<b>Resolved:</b> That the proceedings of the Audit Committee held on 28 November 2023 be noted.
48/23	<b>Minutes of meeting Wednesday, 29 November 2023 of Resources Committee</b>
	<b>Resolved:</b> That i) the proceedings of the Resources Committee held on 29 November 2023 be noted; ii) the Fleet Asset Management Plan 2023 – 2027 be endorsed and approved (subject to budget considerations) as part of the budget approval process in February 2024; and iii) the Property and Estate Assets Management Strategy 2023 – 2034 also be endorsed and approved (subject to budget considerations) as part of the budget approval process in February 2024.
49/23	<b>North West Fire Control - Continuing the Collaboration</b>
	The Chief Fire Officer presented the report.  The report set out the background to North West Fire Control centre (NWFC) which

was created after the collapse of a national project. NWFC served the areas of Cheshire, Cumbria, Greater Manchester and Lancashire. From May 2014 staff started answering Lancashire's 999 calls, mobilising resources to incidents and assisting operational staff with the management of incidents.

NW Fire Control Limited (the Company) as the legal entity that provided the services to the partner fire and rescue services was jointly owned by the fire and rescue authorities and liability was limited by guarantee. Each fire and rescue authority appointed two Directors to sit on the Board (and from the CFA, this was the Chair and Vice Chair). Chief Fire Officers and some advisers also attended the Board, together with staff from NWFC.

It was noted that creating NWFC was a difficult and costly exercise with parties to the collaboration advised that it should be seen as a long-term and 'almost permanent' arrangement, due to the complexity and cost of ending it. Creating a separate fire control solely for one of the partners to NWFC would take at least two years (probably nearer to three) and involve: i) investment in a new mobilising system which would be likely to cost almost as much as the system utilised by NWFC; ii) creation of a resilient control room; and iii) recruitment of staff to be suitably trained in readiness for go-live. The CFA was committed to NWFC until at least July 2033 (the date that the lease of the fire control building came to an end). A new mobilising system was required to be procured by NW Fire Control Limited and there were a number of other pressures exist that had impacted on NWFC.

When NWFC was created there was a significant investment by the Government (which continued in the form of circa £1m per annum towards the lease of the NWFC building). Almost all up-front costs to create NWFC were paid for by the Government. NWFC was now paid for by the partners in proportions that were agreed before the original project was fully committed to. The proportions were intended to reflect the relative demand placed upon NWFC by the respective partners, i.e. call volumes were seen as a meaningful driver for establishing the respective shares of the costs. The proportions were recorded in various governance documents, with the Co-Operation Agreement between the fire and rescue authorities stating that the '*... proportions will be reviewed from time to time. Such reviews will take into account the relative benefits to the respective Authorities derived from the Services provided by the Company.*' The percentage call volumes per partner had generally been extremely close to the proportions and therefore the partners had not sought to review them. These were:

- Cheshire Fire Authority, 18%
- Cumbria Police, Fire and Crime Commissioner, 8%
- Greater Manchester Combined Authority, 48.5% and
- Lancashire Combined Fire Authority, 25.5%.

More recently, however, the call volumes had changed to such an extent that at least for the time being they no longer aligned with the proportions. The need to fund a new mobilising system and the requirement for additional funding for NWFC, as well as the fact that the call volumes no longer aligned with the original proportions, had led to a debate about the proportions which should be paid by the partners going forward.

Chief Fire Officers reached a position which they felt able to justify to their respective fire authorities and for Lancashire this would see an increase from 25.5% to 28.05%. The impact of increasing the CFA's share of the cost would increase it from £0.161m to £1.770m as set out in the Financial Implications section of the report, now considered by Members, and this was expected to take effect from 1<sup>st</sup> April 2024.

NWFC used a computerised mobilising system which assisted the control room operators when answering and handling emergency calls. The current system was now nearing 'end of life' and needed to be replaced. The replacement project required a significant investment by the partners (both time input and money) as well as from the team at NWFC. An important first step would be the agreement of an extension to the contract for the current mobilising system, which would be needed until the new mobilising system was in place. Partner fire and rescue services were fully engaged in the project with tender documentation currently being prepared. During the project decisions needed to be taken by the partner fire authorities and NW Fire Control Limited to ensure: i) satisfaction with the procurement arrangements / tender documentation before the tender process could commence; and ii) be in agreement over the appointment of a supplier once the tender process had run its course. In addition, Chief Fire Officers for each partner fire and rescue service would make the decision about 'going-live' onto the new mobilising system once they were satisfied with the implementation work and readiness of the new mobilising system.

It was noted that there were two aspects to the funding for the new mobilising system: i) procurement and implementation of the new mobilising system. This was a large undertaking which would span three financial years (at least). Based on the latest estimates and assumptions this would require a one-off investment of around £6m. (Shared by the partner fire authorities.) and ii) once the system was live there would be recurring annual costs for licensing, maintenance, development etc. Currently, the cost was circa £0.800m. It was hoped that the recurring cost would not increase substantially but given the recent impact of inflation on wage increases, there would undoubtedly be some uplift, therefore it was prudent to budget for up to £1m per annum. Again, this cost would be shared by the partner fire authorities.

Since NWFC started handling emergency calls back in 2014, the expectations of the partner fire and rescue services had risen, requirements placed upon the fire control had grown and quite recently, a new Fire Standard aimed at fire control rooms had been published. A form of business plan (with annual delivery plans) had been created which the Chief Fire Officers believed needed to be supported for the next twelve months (2024-25) as well as some additional resource costs which should be built into NWFC's base budget. The further resourcing requirements support challenging elements of the delivery plan that NWFC could not deliver from its existing establishment. In 2024-25 the following matters were due to be progressed: i) a new training regime and system for capturing that training; ii) appraisal of the action plan associated with the fire control Fire Standard; and iii) capacity review and work on a future operating model.

**Resolved:** that the Authority

i) noted the commitment to the NWFC collaboration;

	<ul style="list-style-type: none"> <li>ii) agreed the Authority's contribution of 28.05% to the collaboration as detailed in the report;</li> <li>iii) noted that the Chief Fire Officer would make all necessary decisions associated with the new mobilising system on behalf of the Authority within his delegated powers; and</li> <li>iv) approved the Authority's share of the new mobilising system and additional resourcing costs and proposed funding as detailed in the report.</li> </ul>
50/23	<p><b>Updated Whistleblowing Policy</b></p>
	<p>The Assistant Director of Human Resources presented the report.</p> <p>His Majesty's Inspectorate of Constabulary and Fire and Rescue Services had published a report on values and culture in Fire and Rescue Services in March 2023. The report recommended that Chief Fire Officers should make sure that their Service provided a confidential way for staff to raise concerns via their Whistleblowing processes by 1 October 2023. This recommendation was supplemented by the National Fire Chief Council's recommendations on values and culture.</p> <p>In response, the Service had established Safecall, with effect from August 2023. Safecall was an anonymous independent external reporting line where calls could be made or emails sent. All communications were treated confidentially by independent trained staff and the individual's anonymity would be preserved if they so wished. If Safecall received a report out of hours and they felt it indicated a risk to life or other emergency they would contact the relevant Duty Group Manager. The establishment and process of Safecall had resulted in a need to update the Whistleblowing Policy to reflect the new arrangements (attached at Appendix 1 as now considered by Members).</p> <p><b>Resolved:</b> that the Whistleblowing Policy be agreed.</p>
51/23	<p><b>Member Champion Activity Report</b></p>
	<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"> <li>• Community Safety – Councillor Jean Rigby;</li> <li>• Equality, Diversity and Inclusion – Councillor Zamir Khan;</li> <li>• Health and Wellbeing – County Councillor John Singleton;</li> <li>• Road Safety – County Councillor Ron Woollam.</li> </ul> <p>Reports relating to the activity of the Member Champions were provided on a regular basis to the Authority. This report related to activity for the period up to 17 December 2023. During this period all had undertaken their respective role in accordance with the defined terms of reference.</p> <p>Member Champions went through the detail of their reports and expressed thanks to the officers who supported them in their roles.</p>



County Councillor John Singleton highlighted the Peer Support Ambassador workshops for 28 members of staff (as detailed on page 130 of the agenda pack). He added that he had attended a meeting at Blackpool Fire Station where it was interesting to witness the emergency call out procedures and had recently joined the Christmas quiz at headquarters which was really well attended.

County Councillor Ron Woollam highlighted the continuing success of the team in delivering road safety events. Biker Down continued to be popular and the relationship with Bowker continued to grow with positive feedback received from sessions held (as detailed on page 131 of the agenda pack). CC Woollam added that results from a recent national study showed that 64% of all the treads checked put Lancashire in the top two areas where they were borderline or illegal. He also added that good feedback had been received for the Wasted Lives programme undertaken in support of International Men's Day.

**Resolved** - that the Authority noted the report and acknowledged the work of the respective Champions.

52/23

### **Fire Protection Report**

The report summarised Lancashire Fire and Rescue Service prosecutions pertaining to fire safety offences under the Regulatory Reform (Fire Safety Order) 2005. There were currently three cases in the judicial system for offences with one set for trial in July 2024, one set for sentencing at Preston Crown Court in December 2023 and one plea hearing had recently been adjourned until January 2024.

Protection teams continued to investigate and build files in relation to further cases where offences were believed to have been committed, which involved a number of types of premises as outlined in the report.

Given the rapidly evolving regulatory change in building fire safety, an update on Fire Protection and Business Support was also provided, detailing how the Service was adapting delivery whilst developing its workforce, to ensure that it kept pace with the changes and improved public and firefighter safety within the built environment.

Members noted that since April 2023 there had been 1,977 business fire safety checks delivered, of which 1,702 (86%) had resulted in a satisfactory outcome, with 275 being deemed unsatisfactory resulting in follow up business safety advice. The protection department followed up activities which had resulted in three legal notices being issued, including the prohibition of two premises and around 100 informal letters issued to indicate fire safety improvements.

The new Building Safety Act came into force on 1 October 2023, requiring Responsible Persons of High-Rise buildings to register their building with the Building Safety Regulator (BSR). To date LFRS had been notified that only 30% of the county's relevant buildings had been registered. LFRS operated as part of the Northwest Region to support the Building Safety Regulator (the Health and Safety Executive) and had implemented a dedicated role within our Protection team.

	<p>Members also noted arson risk reduction included five cases of which three incidents involved youths, one defendant following a guilty plea to 'arson being reckless as to whether life is endangered' was sentenced to serve 2 years and 10 months in prison and one defendant who also pleaded guilty received five years imprisonment.</p> <p><b>Resolved</b> - that the Authority noted the report.</p>
53/23	<p><b>Operational Incidents of Interest</b></p>
	<p>The Authority received a report that provided information relating to operational incidents of note since the last meeting. As this had been a very busy operational period, the report detailed only the larger deployments or more complex incidents. Full details of the following incidents were provided in the report:</p> <ul style="list-style-type: none"> <li>• Six fire engines attend a commercial building fire in Bamber Bridge;</li> <li>• Three fire engines attend a car on fire with persons trapped;</li> <li>• Ten fire engines attend a commercial building fire in Blackburn;</li> <li>• Four fire engines attend disused waste storage building in Lancaster;</li> <li>• Fire crews attend a fatal boat fire in Nateby;</li> <li>• Six fire engines attend a commercial building fire in Blackburn;</li> <li>• Four fire engines attend a fatal incident on the river Lune;</li> <li>• Fire crews attend a fatal house fire near Ribchester;</li> <li>• Ten fire engines attend a commercial building fire in Longridge;</li> <li>• LFRS attend a suspected explosive device in Burnley.</li> </ul> <p><b>Resolved:</b> that the Authority noted the report.</p>
54/23	<p><b>Member Complaints</b></p>
	<p>The Monitoring Officer confirmed that there had been no complaints since the last meeting.</p> <p><b>Resolved:</b> - That the current position be noted.</p>
55/23	<p><b>Date of Next Meeting</b></p>
	<p>The next meeting of the Authority would be held on Monday <b>19 February 2024</b> at 10:30am at the Training Centre, Euxton.</p>
56/23	<p><b>Exclusion of Press and Public</b></p>
	<p><b>Resolved:</b> 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>

57/23	<b>Proceedings of Capital Building Projects Working Group</b>
	<p>(Paragraph 3)</p> <p><b>Resolved:</b> that the proceedings of the Capital Projects Working Group be noted and its Terms of Reference be approved as set out in the report.</p>
58/23	<b>Urgent Business (Part 2)</b>
	<p>(Paragraph 3)</p> <p>Members discussed the process for claiming Member travel and subsistence claims and were reassured that a democratic services officer would be available to provide support as required.</p>

**LFRS HQ  
Fulwood**

**M Nolan  
Clerk to CFA**

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## Lancashire Combined Fire Authority

Meeting to be held on 19 February 2024

### Proceedings of Performance Committee held 13 December 2023

(Appendix 1 refers)

Contact for further information:

Lynsey Barr, Member Services Officer - Tel: 01772 866908

#### **Executive Summary**

The proceedings of Performance Committee meeting held 13 December 2023.

#### **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 13 December 2023.

#### **Business Risk**

Nil

#### **Environmental Impact**

Nil

#### **Equality & Diversity Implications**

Nil

#### **Financial Risk**

Nil

#### **HR Implications**

Nil

#### **Legal 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, 13 December 2023, at 10.00 am in the Main Conference Room, Service Headquarters, Fulwood.

## Minutes

<b>Present:</b>	
<b>Councillors</b>	
T Hurn (Chair)	
L Beavers	
Z Khan MBE	
M Salter	
D Smith	

<b>Officers</b>
J Charters, Assistant Chief Fire Officer (LFRS) E Sandiford, LFRS M Hamer, Area Manager, Prevention and Protection (LFRS) J Rossen, Area Manager, Head of Service Delivery (LFRS) N Taylor, LFRS G Basson, North West Fire Control L Barr, Member Services Officer (LFRS)

<b>In attendance</b>
G Fernandez, Fire Brigades Union

14/23	<b>Apologies For Absence</b>
	Apologies were received from County Councillor Peter Britcliffe, County Councillor Hasina Khan, County Councillor Paul Rigby, County Councillor Barrie Yates, and Councillor Jean Rigby.
15/23	<b>Disclosure of Pecuniary and Non-Pecuniary Interests</b>
	None received.
16/23	<b>Minutes of Previous Meeting</b>
	<b>Resolved:</b> - That the Minutes of the last meeting held on the <b>13 September 2023</b> be confirmed as a correct record and signed by the Chair.

**Performance Management Information**

The Assistant Chief Fire Officer presented a comprehensive report to the Performance Committee. This was the 2nd quarterly report for 2023/24 as detailed in the Community Risk Management Plan 2022-2027.

This quarter, one Key Performance Indicator (KPI), 2.9 Business Fire Safety Checks, was shown in positive exception and three Key Performance Indicators were shown in negative exception. These were 1.2.1 Staff Absence Wholetime (WT), 1.2.3 Staff Absence Greenbook, and 3.3 Total Fire Engine Availability.

Members examined each indicator in turn focusing on those KPIs in exception as follows:

**KPI 1 – Valuing our people so that they can focus on making Lancashire safer**

**1.1 Overall Staff Engagement**

Members received an update on how staff were engaged during the period.

From July to September 2023, 29 station and department visits were carried out by principal officers, directors, and area managers as part of the service-wide engagement programme. One station visit, involving the HR department, was undertaken to engage with members of staff affected by duty system changes as part of the emergency cover review.

There were 29 wellbeing interactions undertaken ranging from wellbeing sessions with crews to support dog interactions. The Service engaged with staff over several topics relating to fleet and equipment, including facial hair coverings for use with breathing apparatus, helmet communications, and particulate flash hoods. Three focus groups were held with on-call firefighters over policy changes relating to operational response.

**1.2.1 Staff Absence Wholetime**

This indicator measured the cumulative number of shifts (days) lost due to sickness for all wholetime staff divided by the total average strength.

Annual Standard: Not more than 5 shifts lost.

Annual Shifts Lost ÷ 4 quarters: 1.25

Cumulative total number of shifts lost: 4.252

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 2023, absence statistics showed whole-time personnel absence above target for the quarter.

1,433 Wholetime absence shifts lost = 2.15 against a target of 1.25 which was 0.9



shifts over target. During the same quarter of the previous year 2.63 shifts were lost which was a decrease of 0.48 shifts lost per wholetime employee. Cases of long-term (greater than 28 days) absence over the whole quarter had increased by 0.53 shifts from the previous quarter.

The Assistant Chief Fire Officer advised that, as discussed previously, the data had been split between long-term and short-term absences.

The number of cases of long-term absence which spanned over the total of the 3 months had reduced from five cases in Q1 to three cases in Q2.

As a result of the three cases of long-term absences, 139 shifts were lost during Q2 compared to 208 shifts lost during the previous quarter. These cases accounted for 0.22 shifts lost per person over the quarter.

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

- Mental health – 14 cases
- Hospital/Post Operative – 6 cases
- Musculo skeletal – 7 cases
- Genitourinary/Gynaecological/Reproductive – 2 cases
- Cancer and Tumours – 2 cases
- Other absence types (single returns) – 3 cases

In Q2, 101 shifts lost were related to respiratory related absences, which included Coronavirus absence and equated to 0.167 shifts lost per person, which was in comparison to 121 shifts lost in Q1.

The Service had a robust Absence Management Policy which detailed the approach to managing periods of workplace absence to ensure that staff were supported back to work at the appropriate time based upon their individual needs and in a compassionate way.

The Human Resources (HR) system, I-Trent, automatically generated monthly reports to line managers and HR Business Partners in relation to employees and their periods and reasons for absence, and these were closely monitored. Where employees were absent due to mental health, or a stress related condition, they were referred to the Occupational Health Unit (OHU) as early as possible. Employees returning to work had a return-to-work interview and stress risk assessment, or individual health risk assessments were completed where required.

The Service had several support mechanisms available to support individuals to return to work or be exited as appropriate including guidance from Occupational Health, access to Trauma Risk Management (TRiM), an Employee Assistance Programme (EAP), and the Firefighters Charity.

Where an employee did not return to work in a timely manner, an absence review meeting would take place with the employee, the line manager and a representative from Human Resources. The meetings were aimed at identifying support to return an individual back to work which could include modified duties for

a period, redeployment, but ultimately could result in dismissal, or permanent ill health retirement from the Service.

The Absence Management Policy detailed when a formal review of an employee's performance levels would normally take place. In terms of short-term absence, a formal review would take place where an employee had 3 or more periods of absence in 6 months, or an employee had 14 days absent. In terms of long-term absence, a formal review would normally take place at 3, 6, 9 and 11 months.

A key challenge for supporting operational staff returning to work was that the threshold for fitness and returning to work for operational firefighters was higher than in other occupations due to their hazardous working conditions.

### **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, 1.51%.

### **1.2.3 Staff Absence Greenbook**

This 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: 3.886

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

The Assistant Chief Fire Officer advised Members that Wholetime Staff were those in a firefighter, uniformed, grey book role. Green book staff were typically those in non-uniformed, support roles such as Human Resources and Health and Safety etc.

The agreed target performance level was 5 shifts lost per employee per year for green book staff. The actual shifts lost for the period for this group of staff was 2.15 which was 0.9 above target. During the same quarter of the previous year, 1.72 shifts were lost which was an increase of 0.43 shifts lost per Greenbook staff.

During quarter 2, July to September 2023, absence statistics showed non-uniformed personnel above target for the quarter.

423 non-uniformed absence shifts lost = 2.15 against a target of 1.25

During the quarter there were no cases of long-term absence which spanned over the total of the 3 months. There were nine cases of long-term absence which were recorded within the 3 months:

- Mental Health – 5 cases
- Other absence types (single returns) – 4 cases

During quarter 2, 322 shifts were lost as a result of the above nine cases of long-term absences, in comparison to 212 shifts lost during the previous quarter. These cases accounted for 1.59 shifts lost per person over the quarter, which was an increase of 0.58 shifts lost from the previous quarter.

In quarter 2, 11 shifts lost were related to Respiratory related absences, this included Coronavirus absence and equated to 0.05 shifts lost per person. This showed a decrease of 0.5 shifts lost from the previous quarter.

The Service had an Absence Management Policy which detailed its approach to how it would manage absence ensuring that staff time was managed effectively, but also members of staff were supported back to work or exited from the Service in a compassionate way.

The Human Resources (HR) system, ITrent, automatically generated monthly reports to line managers and HR Business Partners in relation to employees, with the periods and reasons for absence, and those were closely monitored. Where Employees were absent due to a mental health, or stress related conditions, those employees were referred to the Occupational Health Unit (OHU) as early as possible. Employees returning to work had a return-to-work interview and stress risk assessment, or individual health risk assessments were completed where required.

Where an employee did not return to work in a timely manner, an absence review meeting would take place with the employee, the line manager, and a representative from Human Resources. The meetings were aimed at identifying support to return an individual back to work which could include modified duties for a period, redeployment, but ultimately could result in dismissal, or permanent ill health retirement from the Service.

The Absence Management Policy detailed when a formal review of an employee's performance levels would normally take place. In terms of short-term absence, a formal review would take place where an employee had 3 or more periods of absence in 6 months, or an employee had 14 days absent. In terms of long-term absence, a formal review would normally take place at 3,6,9 and 11 months.

The Assistant Chief Fire Officer advised that the policies and procedures relating to absences were consistent for both green book and grey book staff.

The Assistant Chief Fire Officer highlighted that sickness levels aligned with the national context and mental health was the primary cause in LFRS.

The Assistant Director of Human Resources informed Members that figures from the Office for National Statistics (ONS) and Chartered Institute of Personnel and

Development (CIPD) showed deteriorating attendance levels on a national scale since the Covid-19 pandemic, with absences rising by 2%, which was reflected at LFRS. The absence reasons were complex and reasons cited included societal issues, the cost-of-living crisis which added to stress for families and vulnerable people, ongoing problems from the pandemic including respiratory illness, and access to treatment in the NHS.

The Assistant Director of Human Resources advised that in relation to attendance, LFRS had always compared favourably to other Services. The Service had a robust application of policies and procedures which helped to manage absences and support staff. Reasonable adjustments could be implemented and tailored to the need and responsibilities of individuals, however, there were some cases with firefighter roles where reasonable adjustments were not possible and resulted in extended absence times.

Members were asked to consider whether the targets for the absence KPIs should be reviewed, or adjustments be made to the existing policies and procedures to ensure standards were achievable.

County Councillor Beavers stated that the absence targets needed to be adjusted as they were unrealistic and unachievable given the societal changes over the last few years and the mental health impacts of the firefighter role.

Councillor Smith agreed that there was a need to adjust absence targets and highlighted the effects of long covid and the impact of that on mental health.

In response to a question from Councillor Smith in relation to whether a firefighter could be given light duties when physically restricted by an operation, the Assistant Director of HR advised that a firefighter could be assigned to modified duties to facilitate their return to work. Other duties could be considered where possible, and alternatives were being investigated.

All Members agreed to a review of the targets for KPIs 1.2.1, 1.2.2 and 1.2.3, and/or further options to manage and improve staff absence. It was agreed that the Assistant Director of Human Resources would undertake work to develop proposals on this basis.

### **1.3.1 Workforce Diversity**

This indicator measured diversity as a percentage.

Combined diversity percentage of grey book (operational) and green book (support) staff. The percentages outside of the brackets represented the current quarter, with the percentage within the brackets illustrating the same quarter of the previous year:

Gender:	Female 21%(19%)	Male 79%(81%)	
Ethnicity:	BME 3%(4%)	Not stated 3%(4%)	White 94%(92%)
Sexual Orientation:	LGBT 4%(3%)	Heterosexual 54%(47%)	Not stated 42%(50%)
Disability:	Disability 3%(3%)	No disability 94%(94%)	Not stated

3%(3%)

Diversity percentage by Grey Book Staff and Green Book Staff. Counts included double counts if the member of staff was dual contracted between Grey and Green Book.

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

Gender:	Female	Grey book 9%	Green book 60%
	Male	Grey book 91%	Green book 40%

Ethnicity:	BME	Grey book 3%	Green book 5%
	White	Grey book 95%	Green book 88%
	Not stated	Grey book 2%	Green book 7%

Sexual Orientation:	LGBT	Grey book 4%	Green book 3%
	Heterosexual	Grey book 53%	Green book 57%
	Not stated	Grey book 43%	Green book 40%

Disability:	Disability	Grey book 3%	Green book 3%
	No disability	Grey book 95%	Green book 90%
	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. The percentages outside of the brackets represented the current quarter, with the percentage within the brackets illustrating the same quarter of the previous year:

Gender:	Female 37%(34%)	Male 63%(66%)	
Ethnicity:	BME 5%(0%)	White 85%(95%)	Not Stated 10%(5%)
Sexual Orientation:	LGBT 5%(15%)	Heterosexual 85%(77%)	Not stated 10%(8%)
Disability:	Disability 2%(1%)	No disability 93%(96%)	Not stated 5%(3%)

During quarter 2, there were a total of 24 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, 18 for quarter 2; year to date 34; previous year to

date 33. Quarterly activity decreased 28.0% over the same quarter of the previous year.

The Assistant Chief Fire Officer informed Members that there had been a spike in the number of accidents in the previous year due to one notable incident and he was pleased with the steady progress in the year to date.

## **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 31,170 and the previous year's score was 31,576 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 Lancashire Constabulary (LanCon) and gaining entry incidents at the request of the North West Ambulance Service (NWAS).

Incidents attended, year to date 9,526; previous year to date 10,283. Quarterly activity decreased 17.87% over the same quarter of the previous year.

In quarter 2, the Service attended 4,421 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) – 2005, 45%
- Total Primary Fire Calls (accidental dwelling / building and deliberate dwelling / commercial fires and other primary fires) – 439, 10%
- Total Secondary Fire Calls (deliberate and accidental fires) – 693, 16%
- Total Special Service Calls (critical incidents, gaining entry, RTCs, Flooding and other critical incidents) – 1278, 29%

The Assistant Chief Fire Officer explained that the decrease in overall activity was due to several factors including ongoing work with call handlers at NWFC to reduce unnecessary and inefficient mobilisation to incidents, consistent reviews of NWFC action plans, and ensuring that the Service was mobilising the right resources to the right incidents.

In response to a query from Councillor Smith regarding the previous year's percentage of false alarms activity compared to the current year's percentage of 45%, the Assistant Chief Fire Officer confirmed that the previous year's percentage was approximately 50% as, although the new policy had been implemented, the Service still attended alarms for certain building types. It was explained that the percentage figure for false alarms was also affected by the volume of other activity types as the KPI was expressed as a percentage proportion. If the other activity types had lower figures, the percentage of false alarms would appear higher as a percentage of the whole figure. Area Manager, Matt Hamer, advised that since the application of the new policy, there had been a reduction in the number of false alarms attended and significant efficiency savings had been achieved.

### **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, 170 in quarter 2; year to date 373; previous year to date 406. Quarterly activity decreased 15.84% 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,	1 in quarter 2; year to date 1; previous year to date 4
Injuries appear Serious	4 in quarter 2; year to date 7; previous year to date 6
Injuries appear Slight	5 in quarter 2; year to date 13; previous year to date 6

Quarterly activity increased 11.11% 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 85% against same quarter of the previous year, combined percentage of 89%.

Combined quarterly percentage had therefore decreased 3.32% 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), 58 in quarter 2; year to date 128; previous year to date 141. Quarterly activity decreased 20.55% over the same quarter of the previous year.

### **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 73% against
- same quarter of the previous year, combined percentage of 68%.

Combined quarterly percentage had therefore increased 4.7% 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), 9 in quarter 2; year to date 49; previous year to



date 52. Quarterly activity decreased 60.87% over 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 0% against
- same quarter of the previous year, combined percentage of 22%.

Combined quarterly activity had therefore decreased 21.7% over the same quarter of the previous year.

## **2.6 Deliberate Fires Total: Specific performance measure of deliberate fires**

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

Deliberate Fires – 460 in quarter 2; year to date 1,144; previous year to date 1,471. Quarterly activity decreased 37.92% 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, 24 in quarter 2, year to date 48; previous year to date 36. Quarterly activity increased 20.00% 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, 30 in quarter 2; year to date 72; previous year to date 56.

Quarterly activity increased 30.43% over the same quarter of the previous year.

The Assistant Chief Fire Officer explained that a number of incidents occurred in

prisons using electronic smoking materials as an ignition source. Managing these types of incidents fell within the jurisdiction of the Ministry of Justice and the Crown Inspectorate. The Service had made progress in terms of engagement with the relevant bodies and the KPI overall, was now out of exception.

### **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, 406 in quarter 2; year to date 1,024; previous year to date 1,379. Quarterly activity decreased 41.83% over the same quarter of the previous year.

## **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, 5,840 in quarter 2; year to date 11,511; previous year to date 10,460. Quarterly activity increased 7.5% over the same quarter of the previous year.

HFSCs with high-risk outcomes, Quarter 2, 52%; previous year Quarter 2, 60%.

Quarterly activity decreased 8.0% over the same quarter of the previous year.

The Assistant Chief Fire Officer advised that the volume of completed HFSCs was positive but that in terms of targeting those who were most vulnerable, the percentage of high-risk outcomes had decreased slightly. Area Manager, Matt Hamer reassured Members that the Service would continue to target those who were high-risk, and work was ongoing to strengthen partner referrals and the ability of the Service Contact Centre to translate these into appointments for staff delivering HFCSs.

It was noted that some data had not been received by the Service in relation to those individuals adopting/leaving the telecare system run by Lancashire County Council. The Chair and County Councillor Beavers confirmed that they would raise

the issue with Lancashire County Council.

## **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,	36 sessions delivered to 1,012 attendees;
RoadSense,	35 sessions delivered to 989 attendees;
SENDSafe,	2 sessions delivered to 48 attendees;
Wasted Lives,	11 sessions delivered to 452 pupils;
Biker Down,	3 sessions delivered to 53 attendees;
FIRES,	52 referrals opened prior to Q2 and carried over. 18 referrals received in Q2. 48 referrals closed in Q2. 22 referrals carried into Q3;
Partner Training,	32 sessions – 324 staff.

Specific Education packages – delivered Water Safety, ASB, Deliberate Fire Setting etc (Covers key stages 2, 3 and 4), across 36 sessions, delivered in person to 29,586 attendees. 32 Teen Safe water Safety sessions delivered to 4,805 attendees. 15 BrightSparx delivered in September.

Arson Threat Referrals - 208.

## **2.9 Business Fire Safety Checks**

This indicator reported the number of Business Fire Safety Check (BFSC's) completed and whether the result was satisfactory or unsatisfactory. If the result of a BFSC was unsatisfactory, fire safety advice would be provided to help the business comply with The Regulatory Reform (Fire Safety) Order 2005. If critical fire safety issues were identified, then a business safety advisor would conduct a follow-up intervention.

- The pro rata BFSC target was delivered through each quarter.

A +/-10% tolerance was applied to the completed BFSCs and the year to date (YTD) BFSCs, against both the quarterly and YTD targets. When both counts were outside of the 10% tolerance they would be deemed in exception which enabled local delivery to flex with the needs of their district plan over the quarters.

BFSCs completed, 876 in quarter 2; Cumulative 1,696; YTD target, 1,250; previous YTD 589.

Cumulative YTD BFSCs being satisfactory, 760. Top 5 completed satisfactory premise types (Shops 300, Factories/Warehouses 100, Other workplaces 93, Licensed premises 77, Other public premises 63).

Cumulative YTD BFSCs being unsatisfactory, 116. Top 5 completed unsatisfactory premise types (Shops 64, Factories/Warehouses 16, Licensed premises 11, Other workplaces 10, Offices 4).

The positive exception report was due to the number of completed Business Fire Safety Checks (BFSCs) being greater than 10% of the quarterly target, and the cumulative year to date target.

Crews were continuing to embed built environment knowledge and understanding. New built environment virtual training had been delivered and supplemented initial BFSC training for crews to embed practically via BFSC targeting.

In response to a query from Councillor Smith as to whether private landlords' properties were treated as businesses or households, the Assistant Chief Fire Officer advised that it was dependent on the type of property. Rented single dwellings fell under the Housing Act and the jurisdiction of the relevant Local Authority and for Houses of Multiple Occupation (HMOs), there was a dual responsibility between the fire service (for communal areas) and the Local Authority within each flat. LFRS worked alongside housing authorities for those properties with communal spaces as part of business-as-usual activities.

A discussion took place around the Serco company that owned and bought a large number of properties, some of which were HMOs. It was noted that the Service took part in partnership working regarding the settling of refugee and asylum seekers. The Local Authority would inspect properties and LFRS would carry out follow up activity if necessary to ensure buildings were safe and compliant. The Service also worked with Adult Social Care regarding vulnerable and high-risk individuals.

### **2.9.1 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, 590;  
Formal Activity in Quarter 2, 7%, same quarter of the previous year 9%.  
Quarterly activity decreased 2% over the same quarter of the previous year.

Members noted the cumulative number of Business Fire Safety Check follow-up visits undertaken for 2023/24 was 1,120.

### **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 indicator provided Members with information on the number of building

regulations consultations received during the period together with improvement actions.

In Quarter 2, Building Regulation Consultations received 250, of which 243 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:

- Buildings regulations process was now centralised and built into the Community Fire Risk Management Information System (CFRMIS). A new buildings regulation team and centralised email had been created to signpost all building control bodies and approved inspectors to. A pan-Lancashire approach to building regulations had now been adopted, rather than an area-based approach due to the numbers of competent staff able to undertake building regulations.

### **KPI 3 - Responding to fire and other emergencies quickly**

#### **3.1 Critical Fire Response – 1<sup>st</sup> 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.

Standards were achieved when the time between the 'Time of Call' (TOC) and 'Time in Attendance' (TIA) of the first fire engine arriving at the incident, averaged over the quarter, was less than the relevant response standard. Expressed in minutes & seconds.

Critical Fire Response – 1<sup>st</sup> Fire Engine Attendance, Quarter 2, Very High 05:45 min; High 05:56 min, Medium 06:28 min, Low 08:26 min.

Q2 overall 07:06 min. Year to date overall 07:25 min. Previous year to date overall 07:10 min.

It was noted by Members that the response times for all critical fire response categories were substantially quicker than the Service response standards.

### **3.2 Critical Special Service Response – 1<sup>st</sup> 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).

Critical Special Service Response – 1<sup>st</sup> Fire Engine Attendance, 08:42 min in quarter 2; year to date 08:34 min; previous year to date 08:10 min. The Assistant Chief Fire Officer highlighted the exceptionally swift response to Critical Special Service calls attended in the year to date.

### **3.3 Total Fire Engine Availability**

This indicator measured the availability of the 1<sup>st</sup> fire engine at each of the 39 fire stations. It was measured as the percentage of time the 1<sup>st</sup> fire engine was available to respond compared to the total time in the period.

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

Total Fire Engine Availability, 87.84% in quarter 2; year to date 88.66%; previous year to date 88.82%.

Quarterly availability decreased 0.42% over the same quarter of the previous year.

The negative exception report was due to the 1<sup>st</sup> fire appliance availability percentage being below the lower control limit during quarter 2.

Overall availability across all stations for the quarter recorded 87.84%, which was 2.16% below the 90% standard.

The availability by each of the stations designated first pump crewing type:

Wholetime – 99.41%  
Day Crewing Plus – 99.23%  
Flexi Day Crewing – 99.12%  
On-Call – 73.06%  
Total – 87.84%

Whilst all of the Whole-Time appliances achieved exceptional availability, the 1<sup>st</sup>

appliance at the wholly On-Call stations contributed to the availability falling below the 90% standard. As such, the exception report was focused on On-Call availability.

A shortage of staff with the Officer in Charge (OIC), Large Goods Vehicle (LGV) and Emergency Response Driver (ERD) skill was a significant contributing factor to low On-Call availability. On-Call Support Officers (OCSO) were working with station-based staff and management, along with Training Centre, to support those in development and identify opportunities for high-performing individuals to acquire those skills earlier in their career.

The Breathing Apparatus (BA) skill was another factor contributing to low On-Call availability, however, a rolling programme of BA initial training combined with BA Team Leader courses was ensuring demand for those skills was met.

A new inter-service transfer policy would assist with On-Call recruitment, simplifying the process for transferees to join LFRS.

Actions being taken to improve performance:

- The Service would continue to deliver a recruitment strategy, which incorporated targeted recruitment. The upcoming recruitment campaign would close on 11 November. Circa 136 applicants would progress to the Saville and Holdsworth (SHL) testing.
- Increase visibility of On-Call units in the community which could include off station training, or community engagement events.
- Broadening the skills of On-Call staff (as per the Emergency Cover Review) in addition to exploring new opportunities or ways of working for On-Call or Dual Contract staff would further improve On-Call availability.
- Continued recruitment and development of On-Call Support Officers to enhance the Service's capability to attract, develop and retain On Call firefighters from communities across Lancashire.

The Assistant Chief Fire Officer informed Members that there had been a large number of On-Call applicants and 48 had been successful and would progress onto training, fully populating the available courses. HR were exploring the possibility of accelerated training for recruits and those progressing through their development stages.

## **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 2023/24 was set at £68.5 million. Spend at the end of September was £32.8m, £0.4m less than budget. The majority was attributable to non-pay costs which included a shortfall on apprenticeship levy funding, an increase in repair and maintenance on operational vehicles, and an increase in external training.

Quarter 2 variance 0.58%.

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

### Missing Persons (MisPer)

LFRS continued to support LanCon with the successful collaboration and a closure report was now in development for this workstream. There were over 220 police requests into North West Fire Control (NWFC) for the specialist drone team within the last 12 month. Most of the incidents were for missing persons.

The Missing Persons project was being enhanced further with the aim of training teams from several 'On-Call' stations within Lancashire. The locations were identified from data and analysis that had shown where people were most likely to go missing from home and where LanCon's resources were limited. This enabled LFRS' specialist teams to search familiar ground in reduced time and improve the likelihood of a positive outcome. This training developed the knowledge of what was required by LanCon in the management of a missing from home incident which included intelligence gathering, record keeping, search areas, and ensuring a crime scene was not contaminated.

Training was also planned for the contact centre staff in LanCon to increase their knowledge of LFRS' search capabilities.

A Memorandum of Understanding had been developed to provide a framework to further support the collaborative use of LFRS and LanCon drones.

### Estates and Co-location

This project was a longer-term work stream which could deliver significant efficiencies and effectiveness where co-location sites were identified.



A set of principles was being developed in relation to co-location sites and a mapping exercise of the current co-location sites and the benefits had commenced.

Blue Light partners were currently reviewing their strategic property asset plans to coordinate the future development plans over the next 5-10 years. The development plans would consider the potential for co-location, and with a view to further developing the integration of services at co-location sites to enhance the shared ethos and principles.

All Blue Light partners were included in the scoping work for the LFRS Preston area review.

### **First Responder**

As part of the Annual Service Plan (ASP) priorities this year, the Service was running a trial involving staff volunteering as community first responders, supporting NWAS. Volunteers respond to life threatening emergencies in their communities from the workplace and administer first aid in the initial vital minutes before NWAS colleagues arrived. This collaboration aimed to save lives in Lancashire's communities.

Phase 1 of the first responder scheme involved 5 non-operational LFRS staff from various departments across the Service volunteering to take part in the scheme. At least one life had been saved by LFRS volunteers.

Phase 2 had commenced which had enabled operational staff to volunteer for the scheme. Eight of our Flexible Duty Officers (FDOs) had so far volunteered to be a community first responder and were currently progressing through the onboarding process with NWAS.

### **Leadership Development**

The Learning and Development leads from each of the Blue Light partners were investigating leadership development collaboration opportunities.

An analysis of leadership development was ongoing between the three organisations with the Services currently exploring an additional mentorship programme for command and control.

### **Command Units**

The aim of this project was to establish and deliver additional collaborative uses of the command units in LFRS to support effective multi agency working amongst emergency responders. The key objectives were to improve operational effectiveness and in line with the LFRS mission; 'Making Lancashire Safer.'

LFRS' Command Support Unit (CSU) project was listed in this years' Service Plan and aimed to upgrade not only vehicles, but to take advantage of recent technological advances to support operational incidents. It had been agreed that the first new Command Support Unit (CSU) would go live on 01 November 2023 and would be crewed by On-Call staff from Carnforth and Bolton-le-Sands fire stations. As part of the agreed capital vehicle replacement project, two larger command units would also be in Service by the end of 2023.

It was expected that the initial benefits to be realised would be technological advances that would further develop information sharing and situational awareness aligned to improving and embedding the Joint Emergency Services Interoperability Principles (JESIP). Further scoping and development would be overseen by the Blue Light Collaboration board to ensure opportunities for joint working were effectively co-ordinated and delivered.

### **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: 97.50%

In quarter 2, 77 people had been surveyed and the number satisfied with the service was 7. The running number of people surveyed for the year was 3,417 with 3,376 of those people being satisfied with the Service; 98.80% against a standard of 97.50%; a variance of 1.33%.

The Chair thanked the Assistant Fire Officer for his comprehensive report.

The Assistant Director of HR left the meeting.

Area Manager, John Rossen and Area Manager, Neil Taylor provided with an update on the ongoing incident on the Commercial Building Fire at SupaSkips site in Lancaster.

Members were given information on the preparation work that took place prior to the incident. Members were informed that LFRS had been involved in partnership work with Lancaster City Council for a number of years in relation to the potential risks that the SupaSkips site presented. The building contained large amounts of compacted commercial waste that had been abandoned following the removal of the site's permit.

On Sunday 03 December, 10 fire engines attended the fire at the Supaskips site that contained approximately 13,000 tonnes of compacted commercial waste. Firefighters had dampened down the fire that was accessible, however, the seat of the fire was beneath the large quantities of waste and pockets of fire continued to smoulder. LFRS were working with Lancaster City Council, the Environment Agency, Lancashire Police, UK Health and Security Agency and Lancashire County Council to tackle the incident and risks posed by the site.

Lancaster City Council had committed funds to assist in accessing the building with heavy plant and machinery and with the removal of waste. It was thought likely that the fire would continue to burn for some time. Significant funding was required to fund resources to fully remove all waste and extinguish the fire to bring the incident to closure.

A Strategic Coordinating Group (SCG) and Tactical Coordinating Group (TCG) had

	<p>been established to plan effective strategies and put tactics in place to effectively control the incident. The Communications Team was also involved in providing regular updates to the public and local businesses.</p> <p>The Chair and Vice Chair of the Authority would give a report on the incident to full council at Lancashire County Council and Members would continue to receive updates by the Service.</p> <p>County Councillor Salter joined the meeting.</p> <p><b>Resolved:</b> - That the Performance Committee noted and endorsed the Quarter 2 Measuring Progress report, including one positive and three negative exceptions.</p>
18/23	<p><b>North West Fire Control Presentation</b></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 2023).</p> <p><b>Emergency Calls in to NWFC</b></p> <p>NWFC received 26,849 in quarter 2 compared to 37,462 for the same quarter of 2022/23. For the year to date, NWFC had received 135,455 emergency calls compared to 162,590 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.</p> <p><b>Emergency Calls for LFRS</b></p> <p>A total of 7,752 emergency calls were received in quarter 2 for LFRS, compared to 9,299 for the same quarter of the previous year. For the year to date, NWFC had received 16,893 emergency calls for LFRS, compared to 19,835 for the same period of the previous year.</p> <p>The call pattern was below average for the time of year which could be attributed to societal issues or the weather that had resulted in different types of emergency calls.</p> <p><b>Admin Calls in to NWFC</b></p> <p>NWFC had received a total of 27,740 admin calls in quarter 2, compared to 31,727 in quarter 2 of the previous year. The number of calls for the year to date was 59,607, compared to 61,452 for the same period of the previous year. Similar to emergency calls, there was missing data that was not retrievable for administrative calls for quarter 2.</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 NWFC regarding exercises or resources availability.</p> <p><b>Admin Calls for LFRS</b></p>

Within quarter 2, a total of 6,246 admin calls were received for Lancashire Fire and Rescue (LFRS), compared to 7,384 in quarter 2 of the previous year. For the year to date, NWFC had received 13,571 admin calls for LFRS compared to 14,405 calls for the same period of the previous year.

Calls for LFRS equated to 25% of the total calls for all 4 services (LFRS, Greater Manchester Fire and Rescue Service, Cheshire Fire and Rescue Service, and Cumbria Fire and Rescue Service).

### **Calls Challenged Resulting in No Mobilisation**

In quarter 2, the percentage of calls challenged and not mobilised to was 48%, compared to 44% for the same quarter of 2022/23.

These were any calls where Control Room Operators asked additional questions provided by Fire and Rescue Services in order to determine if a response was required. Examples of these incident types were automatic fire alarms, animal rescues, bonfires and NWAS gaining entry.

NWFC continued to support Fire & Rescue Services with call challenge questions, which determined whether there were resources mobilised to incidents such as automatic fire alarms. In supporting these initiatives, 42% of calls challenged were not required to be mobilised to, and therefore these resources were available for other emergencies/duties.

### **Fires: Average Response to Mobilise First Resource**

For NWFC, mobilising performance times for fires in quarter 2 was 80 seconds which was under the 90 second target. This compared to 84 for the same quarter in 2022/2023. NWFC had continued to mobilise resources to fires under the 90 second target for the last 3 years.

### **All FRs – Fires: Average Response to Mobilise First Resource**

The call handling times for fires continued to be relatively favourable compared to other fire and rescue services (Cumbria, Cheshire, and Manchester). During quarter 2, the average time to mobilise the first response to fire related incidents 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 120 seconds compared to 125 seconds for quarter 2 of the previous year. LFRS mobilising times for special service calls for the year to date was 120 seconds, compared to 127 seconds for the same period of the previous year.

Action plans were constantly refined, and LFRS worked closely with NWFC to ensure call operators were trained on the types of questions to ask which improved response times.

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 other Fire and Rescue Services (Cumbria, Cheshire, and Manchester).

In response to a question raised by the Chair in relation to how calls for the different counties were managed by NWFC, Mr Basson explained that call handlers for all 4 fire services were based in the Control room and generally, call handlers would deal with calls for all 4 fire and rescue services. The exception to this was when a team of people would take ownership of calls for a large and complex incident.

In response to a question raised by County Councillor Salter regarding calls for the 4 different fire and rescue services and their geographical areas, Mr Basson informed that all calls were answered within 5.7 seconds, however, call times for different areas could vary. Some areas were urban, meaning a quick identification of the location of the incident and subsequent mobilisation, and some areas were very rural which made locating the incident sometimes more difficult, however, NWFC had software that assisted with this. NWFC had new technology (999Eye) which also allowed operators to view live footage and facilitated them to pinpoint the caller's location and instantly message them to obtain images from the incident. 'What 3 Words' was also a useful tool in locating callers. NWFC worked to improve the time for special service calls as there had been an increase in the number of call prompts that needed to be asked by call operators following guidance from the National Fire Chief's Council (NFCC). This had increased call handling time by a few seconds but had ensured that the right information was given to firefighters and callers.

County Councillor Salter asked why the number of emergency calls had dropped substantially and Mr Basson advised that there had been fewer calls due to fewer emergencies which could be attributed to the prevention and protection work in Lancashire. Not all calls were for incidents and multiple calls could be received for the same incident.

In response to a question raised by County Councillor Salter in relation to calls for LFRS to support NWAS, Mr Basson explained that NWAS would call for help with access to a property although certain criteria had to be met for LFRS to attend. A tri-service agreement existed between LFRS, NWFC and NWAS, performance against which, was regularly reviewed by the DCFO and ACFO.

The Chair thanked Mr Basson for his interesting and informative presentation.

	<b>Resolved:</b> - That Members noted the content of the report.
19/23	<b>Date of Next Meeting</b>
	<p>The next meeting of the Committee would be held on <b>06 March 2024</b> at 1000 hours in the Main Conference Room at Lancashire Fire and Rescue Service Headquarters, Fulwood.</p> <p>Further meeting dates were noted for 26 June 2024 and 04 September 2024 and agreed for 04 December 2024.</p>

**M Nolan**  
**Clerk to CFA**

**LFRS HQ**  
**Fulwood**

## Lancashire Combined Fire Authority

Meeting to be held on 19 February 2024

### Pay Policy Statement for 2024-25

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

#### **Executive Summary**

In accordance with the provisions of the Localism Act 2011 a pay policy statement for 2024/25 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 2024/25 will be bound by and must comply with the 2024/25 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 Employers' 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 confirm 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 April 2023.

The next anniversary dates for "grey book" and Principal Officers pay is 1 July 2024. 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.

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.

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.

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 Chair) 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) - £172,031**

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 £166,100 and £172,031 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) – £160,167**

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 £154,236 and £160,167 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) - £132,880**

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

The current remuneration for this post on recruitment is between £130,507 and £136,439 pa.

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) - £122,099**

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

The remuneration for this post on recruitment will be aligned to the Treasurer/Director of Corporate Services.

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) - £95,498**

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 £95,498 - £101,115 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 £23,500 to £23,893 pa. £23,500 equates to £12.43 per hour.

The Chief Fire Officer's earnings ratio is 1:7.32 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 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)**

Will the proposal(s) involve the processing of personal data? **NO**

If the answer is yes, please contact a member of the Democratic Services Team to assist with the appropriate exemption clause for confidential consideration under part 2 of the agenda.

## **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.

### **Legal implications**

The pay policy is required to comply with the Localism Act

## **Local Government (Access to Information) Act 1985**

### **List of background papers**

Paper:

Date:

Contact:

Reason for inclusion in Part 2 if appropriate: Insert Exemption Clause

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## Lancashire Combined Fire Authority

Meeting to be held on 19 February 2024

### 2024/25 Budget

(Appendices A, B, C and D refer)

Contact for further information: Steven Brown - Director of Corporate Services

Tel: 01772 866804

#### Executive Summary

The purpose of this paper is to allow the Members to agree the 2024/25 Council Tax Precept and Budget, and to approve the associated documents, including;

- The five-year Medium Term Financial Strategy (MTFS).
- The Capital Strategy (including the ten-year capital programme).
- The Reserves Strategy.
- The Treasury Management Strategy.

#### Recommendation

The Authority is requested to:

- Agree the 2024/25 budget, including the Net Budget Requirement of £75.2m (as set out in Table 2 paragraph 13) which takes account of adjustments set out and detailed in Appendix A.
- Agree the proposed Council Tax increase of 2.99% and set a Band D Council tax precept of £84.73 for 2024/25.
- Agree the levels of Council Tax precept set out in Table 3, paragraph 16.
- Approve the capital programme and associated funding for 2024/25 set out in table 5, paragraph 21;
- Approve the Medium Term Financial Strategy set out in Appendix A;
- Approve the Capital Strategy set out in Appendix B;
- Approve the Reserves Strategy set out in Appendix C;
- Approve the Treasury Management Strategy in Appendix D, this includes the Prudential Indicators and Minimum Revenue Provision as set out in the Appendix; and
- Note the Statement of Robustness of Estimates set out in paragraph 34.

#### Information

1. The Authority is required to set a balanced budget and council tax precept for the next financial year by 1 March 2024. This paper presents the necessary information in a single report to ensure the Authority:
  - Considers the link between capital investment decisions and the revenue implications.
  - Considers the Treasury Management implications of revenue and capital decisions.
  - Provides value for money.

- Reflects best practice.
2. The Budget and associated documents in this report form our financial strategies, they are part of our strategic planning activity and governance framework which sets out the direction of the Service and how we will achieve our aim of making Lancashire safer. These financial strategies are one of six core strategies that set out how we will provide services in line with the following priorities in our five-year Community Risk Management Plan (CRMP):
    - Valuing our people.
    - Preventing fires.
    - Protecting people and property.
    - Responding to fires and other emergencies.
    - Delivering value for money.

### Financial Context

3. The economy in 2024 is again expected to struggle as inflation is forecast to remain above the government set target of 2% until the end of 2025. Increased borrowing costs and weak Gross Domestic Product (GDP) growth result in a 50-50 chance of recession in 2024 according to the Bank of England.
4. The public sector continues to face substantial challenges, among them rising demands and reducing financial resilience. Nationally fire and rescue services continue to face inflationary pressures because of significant increases in running costs and demand pressures, such as responding to climate change emergencies.

### Funding

5. The funding for the fire sector has changed in the last 15 years. The 2008 banking crisis was followed by a period of austerity in the sector. During this period government grants for the fire sector reduced; in cash terms the main grant, the Revenue Support Grant (RSG), for Lancashire reduced from £19m (35% of the funding) to £10m (14% of the funding).
6. Changes to the funding methodology during this period also meant that changes in the economy, that impact on benefits claimant numbers or business rates, now impact on funding levels. With Council Tax and Business Rates representing 85% of our funding these changes have presented an additional risk. For context, the main sources of funding in 2023/24 are set out below:

<b>Table 1 – Sources of Funding</b>	£m	%
Council Tax	38.0	56%
Business Rates	19.9	29%
Revenue Support Grant	9.7	14%
Other Grants	0.6	1%
<b>Total</b>	<b>68.2</b>	<b>100%</b>

7. Funding for capital schemes has also changed over this period, with the sector now almost exclusively funding new capital schemes from local sources of



funding such as revenue contributions, reserves, capital receipts and borrowing (that is repaid from revenue budgets).

8. On 5 February 2024, the Secretary of State for the Department for Levelling Up, Housing and Communities (DLUHC), released the final local government finance settlement 2024/25. It is for one year only and based on the Spending Review 2021 (SR21) funding levels, updated for the 2023 Autumn Statement announcements. The main headlines for the 2024/25 budget are:
  - The council tax referendum limit will be 2.99%. The fire sector had lobbied for a £5 increase (equivalent to 6.1% for the Authority) that is consistent with 2023/24 and reflects current inflationary and demand pressures.
  - The Fire Services Pension Grant of £3.3m has been included in the Revenue Support Grant (RSG) from 2024/25, it was previously included in the service net budget. This has no overall impact, but it increases our net budget and sources of funding income by £3.3m.
  - The September CPI figure of 6.7% has been applied to increase business rates grant funding (£12.1m) and the Revenue Support Grant (£13.5m).
  - The Services Grant reduced from £0.6m in 2023/24 to £0.1m in 2024/25.
  - One year Funding Guarantee Grant received of £0.9m. We did not receive this in 2023/24 but it ensures each authority's funding overall increases by at least 4%.
9. It is disappointing to not receive the £5 council tax referendum limit lobbied for alongside a reduced Services Grant of £0.5m; a £5 increase would have provided an additional £1.2m in 2024/25.
10. Long term planning is essential and whilst a one-year settlement was expected, as there will be a general election in 2025, we nevertheless will continue to lobby for a longer-term planning horizon. However, the timing of the election may impact on whether there is time for a longer-term settlement from 2025/26. Together with the uncertainty on the timing and potential impact of policy changes that could impact on the overall funding levels, such as the Fair Funding Review and review of Business Rates Retention, there is uncertainty around future funding assumptions.
11. Council Tax income is based on the precept approved by the Authority and the estimated taxbase; this is the number of band D equivalent properties in the area. Factors influencing the taxbase include changes to property numbers, collection rates in each local authority, local authority discounts and changes in benefit claimants. The estimated taxbase for 2024/25 increased by 1.38% compared with 1.82% in 2023/24. Table 3 paragraph 16 sets out the taxbase and proposed Council Tax precept for 2024/25.
12. At the end of each year an adjustment is made to the Council tax to reflect the previous year's actual council tax collection; this can lead to a surplus or deficit. The total surplus for 2024/25 on the Council Tax and Business rates collection funds is £0.1m and £0.1m respectively; this is £0.2m less in total than in 2023/24.

## Proposed Revenue Budget 2024/25

13. The 2024/25 budget proposals are based on the latest funding assumptions set out in this report. A maximum increase in the council tax precept allowed of 2.99% at Band D is assumed; providing additional funding of £1.1m compared to 2023/24. These result in an overall net revenue budget of £75.2m. Based on all the above information and assumptions, the following table sets out the proposed 2024/25 budget:

<b>Table 2 – Budget Proposals 2024/25</b>		<b>£'m</b>
<b>Budget</b>	Base Budget*	71.6
	Inflation	2.5
	Commitments	1.3
	Resourcing – permanent	0.7
	One-off items	0.5
	Contribution to Capital	(1.5)
	<b>Proposed Budget Requirement</b>	<b>75.2</b>
<b>Funding</b>	Council Tax	(39.4)
	Business Rates	(21.3)
	Revenue Support Grant	(13.5)
	Other Grants	(1.0)
	<b>Total Funding (Net Budget Requirement)</b>	<b>(75.2)</b>

Precept (Council Tax – Band D)	<b>£84.73</b>
Increase from 2023/24 Band D of £82.27	<b>£2.46</b>

*\* Note: the base budget has been adjusted to reflect the transfer of the Pensions Grant to Revenue Support Grant*

14. As the above table shows, this proposal delivers a balanced budget as required by law. If the precept is reduced additional savings would be required, for example, a reduction of 1% would reduce funding by £0.4m.
15. The main elements that make up the Proposed Budget Requirement for 2024/25 are set out below and within the MTFS in Appendix A:
- Inflation - An allowance of 3% for pay awards in 2024/25 has been included with 2% thereafter. Specific increases in price inflation for known areas has been assumed. Other non-pay budgets have increased by the latest Office of Budget Responsibility (OBR) CPI figures; 3% in 2024/25 and 2% thereafter. If pay awards are higher than assumed, they will need to be met from reserves or in year savings in 2024/25 with additional savings made in future years. Each 1% increase results in an additional £0.5m and £0.1m for Grey book and Green book staff respectively.
  - Commitments – These reflect the impact of previous decisions that have a financial consequence in 2024/25 or are due to policy, legal or regulatory changes. The commitments include:
    - The Authority reaffirmed their commitment to the North West Fire Control in December 2023 including an increased contribution to their costs due to changes in activity levels and result in an increase of £0.2m.

- The reduction in interest rates results in a loss of investment income of £0.4m in 2024/25.
- Vacancy levels across the organisation are forecast to be lower in 2024/25 along with more staff expected to reach Competency, this results in an increase establishment cost of £0.4m in 2024/25.
- The Emergency Cover Review (ECR) approved by the Authority in 2022 resulted in an overall increase of 8 Wholetime Firefighter across the Service. In 2024/25 there is a resourcing commitment of £0.2m as previously agreed, to fund these posts.
- Resourcing - permanent - Several growth proposals are included in the budget for 2024/25, including:
  - As reported in the budget monitoring reports to the Resources Committee there is a need to rebase the apprenticeship levy income budget by £0.3m to reflect the expected income profile, this is because more new recruits have prior learning which does not attract a levy.
  - Additional costs of £0.4m are necessary to meet our digital ambitions to enable developments that improve our resilience, productivity, and efficiency.
- One off items include:
  - Opportunities for four non-operational apprentices for two years have been identified that results in a one off item of £0.1m.
  - Additional short term funding of £0.4m is provided to meet resourcing pressures in support services.
- Contribution to Capital – A reduction in the Contribution to Capital of £1.5m is proposed, this results in a revenue contribution in 2024/25 of £2.5m; this is consistent with the average contribution made over the previous 10 years. The capital programme is considered later in this report.

### Council Tax Precept

16. Council Tax funding is based on the estimated taxbase (band D equivalents) provided by each local authority. Compared to 2023/24, the overall taxbase has increased by 1.38% (6,319 properties), last year the increase was 1.82%. The following table shows the number of Band D equivalents and proposed precept for each local authority based on the precept increase of 2.99%.

<b>Table 3 – Proposed Precepts 2024/25</b>	<b>Number of Band D Equivalents</b>	<b>Precept on Collection Fund</b>
Burnley Borough Council	23,844	2,020,299
Chorley Borough Council	38,641	3,274,030
Fylde Borough Council	32,208	2,728,980
Hyndburn Borough Council	22,095	1,872,107
Lancaster City Council	42,583	3,608,052
Pendle Borough Council	24,957	2,114,586
Preston City Council	42,650	3,613,721
Ribble Valley Borough Council	25,321	2,145,445
Rossendale Borough Council	20,891	1,770,092

	<b>Number of Band D Equivalents</b>	<b>Precept on Collection Fund</b>
South Ribble Borough Council	37,758	3,199,206
West Lancashire District Council	38,357	3,249,946
Wyre Borough Council	39,138	3,316,198
Blackburn with Darwen Borough Council	37,070	3,140,915
Blackpool Council	38,756	3,283,791
<b>Total</b>	<b>464,268</b>	<b>39,337,368</b>

<b>Band</b>	<b>Proposed 2024/25 £</b>	<b>Actual 2023/24 £</b>	<b>Change per year £</b>	<b>Change per week £p</b>
A	56.49	54.85	1.64	0.03
B	65.90	63.99	1.91	0.04
C	75.32	73.13	2.19	0.04
D	84.73	82.27	2.46	0.05
E	103.56	100.55	3.01	0.06
F	122.39	118.83	3.56	0.07
G	141.22	137.12	4.10	0.08
H	169.46	164.54	4.92	0.09

17. The increase for a Band D property per year is £2.46; that is 5 pence per week.

### **Medium Term Financial Strategy**

18. The purpose of the Medium Term Financial Strategy (MTFS) is to provide the Authority, staff, the public and other stakeholders with information on the financial outlook and the estimated available funding over the next five years. It takes into account future estimates on funding and potential high-level revenue and capital expenditure over the period. A summary of the MTFS Revenue budget is set out below:

	<b>24/25 £m</b>	<b>25/26 £m</b>	<b>26/27 £m</b>	<b>27/28 £m</b>	<b>28/29 £m</b>
Base Budget	71.6	75.2	76.5	78.7	81.0
Inflation	2.5	1.6	1.6	1.6	1.6
Commitments	1.3	(0.0)	0.5	0.1	(0.3)
Resourcing – permanent	0.7	0.6	1.4	0.4	0.5
One-off items	0.5	(0.3)	0.2	(0.3)	0.1
Savings	(1.5)	(0.5)	(1.5)	0.5	0.5
<b>Net Budget</b>	<b>75.2</b>	<b>76.5</b>	<b>78.7</b>	<b>81.0</b>	<b>83.5</b>
Council Tax	(39.4)	(40.8)	(42.4)	(44.0)	(45.7)
Business Rates	(21.3)	(21.7)	(22.1)	(22.6)	(23.0)
Revenue Support Grant	(13.5)	(13.9)	(14.1)	(14.4)	(14.7)
Other Grants	(1.0)	(0.1)	(0.1)	(0.1)	(0.1)
<b>Funding</b>	<b>(75.2)</b>	<b>(76.5)</b>	<b>(78.7)</b>	<b>(81.0)</b>	<b>(83.5)</b>

Note that Council Tax increases are assumed at 2.99% per annum.

19. Some of the key financial assumptions and estimates are set out below:

- Inflation – The pay awards for 2024/25 are estimated at 3% then 2% thereafter. Non-pay budgets have increased by the latest Office of Budget Responsibility (OBR) CPI figures; 3% in 2024/25 and 2% thereafter.
- Permanent Resourcing – These include:
  - An allowance is made in future years for replacement Personal Protective Equipment based on recommended lifespan.
  - A reduction is forecast at the next valuation of the Local Government Pension Scheme surplus resulting in a pressure in 2026/27 of £0.5m.
  - Additional borrowing is required to meet the planned capital programme from 2025/26. This results in an overall increase in borrowing costs (repayment and interest) from 20225/26 of £0.3m, rising to £2.1m by 2028/29. This is considered in more detail in the capital strategy section of the report, paragraph 21.
- Identified savings – These include:
  - The revenue contribution in the proposed capital programme each year from 2024/25 is £2.5m, £2m, £3m, £3m then £4m from 2028/29. The resulting change from the 2023/24 MTFS is (£1.5m), (£0.5m), £1m, £0m then £1m. The five-year capital programme is considered later in this report.
  - From 2026/27 efficiencies of £2.5m are required to be delivered and are included in the MTFS.
- Funding – Detailed assumptions are included in the MTFS, in broad terms the funding increases between 2% and 3%.

20. The key variables within the budget are inflation assumptions, in particular pay awards, and funding levels. The MTFS considers a range of risks and scenarios that impact on the MTFS.

## Capital Strategy

21. In addition to the revenue budgets a programme of capital investment is proposed from 2024/25, this is set out in detail in the Capital Strategy in Appendix B. The purpose of the Strategy is to provide the Authority, staff, the public and other stakeholders with information on the Capital plans. Capital plans need to be affordable, prudent, and sustainable and treasury management decisions taken in accordance with good professional practice and in full understanding of the risks involved. A summary of the capital programme and funding is set out below:

<b>Table 5 – Capital Programme</b>	<b>2024/25 £m</b>	<b>2025/26 £m</b>	<b>2026/27 £m</b>	<b>2027/28 £m</b>	<b>2028/29 £m</b>
Vehicles	3.2	1.6	1.6	1.6	2.1
Operational Equipment	1.3	1.0	0.9	0.4	0.6
Buildings	3.5	15.4	15.4	7.9	10.8
ICT	2.2	2.3	0.6	0.2	0.5
	<b>10.2</b>	<b>20.3</b>	<b>18.5</b>	<b>10.0</b>	<b>13.9</b>

<b>Table 5 – Capital Programme</b>	<b>2024/25 £m</b>	<b>2025/26 £m</b>	<b>2026/27 £m</b>	<b>2027/28 £m</b>	<b>2028/29 £m</b>
<b>Funding</b>					
Revenue Contributions	2.5	2.0	3.0	3.5	4.0
Capital Reserve	7.7	11.1	0.0	0.0	0.0
Capital Receipts	0.0	0.0	0.0	5.0	0.0
Grants	0.0	1.0	0.0	0.0	0.0
Borrowing	0.0	6.2	15.5	1.5	9.9
<b>Total</b>	<b>10.2</b>	<b>20.3</b>	<b>18.5</b>	<b>10.0</b>	<b>13.9</b>

22. The current 2023/24 five-year capital programme approved by the Authority in February 2023 included three major projects; Headquarters relocation (£15m), Training Centre Props (£5m) and Preston replacement station (£10m). Together with the Member Capital Working Group, officers have been reviewing the scope of the projects and updating costings to reflect changes in prices and timings for these three major capital projects. The key changes considered by the working group is reflected in the 2024/25 capital programme proposed, these include:

- Headquarters relocation – The business case for the relocation of Headquarters recommended the value for money option of building a new Headquarters at the Training Centre. Alongside this, the working group also considered the future of Lancaster House at the Training Centre given the age and maintenance liabilities. The updated project is for a combined Headquarters and Training Facility at the Training Centre, replacing the current Headquarters at Fullwood and office / teaching space in Lancaster House. This will provide modern office and training facilities that meet current environmental and design requirements. It will also ensure that our people have the best facilities to support health and wellbeing by providing a safe and positive work environment. The costings were updated during the year to reflect the latest inflation forecast and an estimate of £18m is included in the programme between 2024/25 and 2026/27.
  - The relocation of Headquarters necessitates the need to invest in a new station to replace Fulwood either on the existing site or at an alternative location. This forms part of the Preston review considered below but is included in the programme at an estimate of £7m in 2027/28 that is part funded by a capital receipt from the sale of land at the Fullwood site.
- Training Centre Props – A modern and progressive service requires high quality facilities to help in the initial training and ongoing maintenance of competency requirements across a broad spectrum of operational activities. The existing facilities were reviewed alongside more modern facilities in the region. The review identified that greater investment is required to meet our requirements and an estimate of £10m is included in the programme between 2024/25 and 2026/27.
- Preston replacement station – A review of emergency cover in Preston has commenced. The aim of the review is to create a new, modern station either in the same place or another location that serves both our staff and the local community well. To date, 25 sites have been considered and further work is ongoing, however many of these sites have been discounted due to unavailability. The budget remains at £10m and is programmed for the final

year of the five-year programme however, work is required in the short term on the current station, particularly on the welfare facilities and training area, and this has been included in the capital programme. The budget for the replacement remains at £10m and is programmed for 2028/29.

23. Whilst we have sequenced the projects as detailed, the Authority should remain flexible, and the years that the projects are delivered may change due to opportunities of land and other matters, details of which will be discussed with the Working Group and approvals sought as required.
24. In the past, general capital grant funding was received each year from the Government, which helped to fund annual replacement of vehicles, IT and operational equipment and capital maintenance of buildings. This general capital grant funding ended in 2014/15. As a result, all capital investment since then has been funded from the Authority's own resources unless specific funding was available. No further government capital grant funding is anticipated going forward. The level of reserves currently held will not be sufficient to fund the proposed capital works over the medium term and borrowing will therefore be required going forward to meet the capital programme. Borrowing incurs on-going costs of interest payments and the funding that is set aside to repay the loan in due course.
25. The Authority has not utilised borrowing to fund its capital programme and thus has one of the lowest levels of borrowing of all fire services in the country. However, the necessary investment in the estate cannot be delivered without borrowing.
26. To fund the Capital Programme table four shows that in addition to utilising the Capital Reserve and revenue contributions, £31m of additional borrowing is required. The long-term revenue costs of this borrowing, based on the latest borrowing forecasts, is approximately £2.5m per annum which is included in the MTFs, and from 2026/27 will need to be met from efficiencies within the revenue budget.
27. Following the capital investment set out above the Authority's reserves and borrowing levels would be commensurate with similar sized fire services based on current levels across services.

### **Reserves Strategy**

28. Section 25 of the Local Government Act 2003 places a requirement on the Section 151 Officer to formally report on the adequacy of the reserves. The Director of Corporate Services assess this in the context of the strategic, operational, and financial risks and opportunities facing the Authority.
29. While holding reserves is a recognised and recommended financial management tool, the levels of such reserves must remain prudent, appropriate to the level of risk and opportunity and not excessive. This is set out within the Reserves Strategy attached at Appendix C, which includes details of the reserves held and their proposed usage over the next five years.
30. It is good practice to review reserves on a regular basis and during the year a review all reserves was undertaken resulting in a number of changes that is set out in Appendix C.

31. The General Reserve exists to cover unforeseen risks and expenditure that may be incurred outside of planned budgets. The minimum level of General Reserve advised by the Treasurer for the 2023/24 budget was £3.75m. A generally accepted level is one that is equivalent to 5% of the net revenue budget but that must be considered alongside specific Authority risks; the previously advised level of £3.75m is about 5%. Considering the risks facing the Authority the Treasurer recommends maintaining this minimum level for 2024/25. Following the review of reserves and forecast 2023/24 outturn, the level of the General Reserve at 1 April 2024 is estimated at £4.9m, this is above the minimum level of General Reserve recommended.

### **Treasury Management**

32. Treasury Management covers the cashflow, investment and borrowing activities together with the impact of budgetary decisions on such activities. The Treasury Management Strategy is included as Appendix D to this report, it is comprised of four main elements:
- Capital Expenditure Plans and Prudential Indicators.
  - Borrowing Strategy and Prudential Limits.
  - Annual Investment Strategy.
  - Minimum Revenue Provision (MRP) Statement.
33. The Strategy reflects the revenue and capital estimates contained in the MTF S and Capital Strategy within this report. Treasury Management in the public sector is heavily regulated and transparency with the Authority on its activities is paramount. The Resources Committee oversee Treasury activities, but it is a legal requirement that the Authority approve the Strategy.

### **Statement of Robustness of Estimates**

34. Section 25 of the Local Government Act 2003 places a requirement on the “Chief Finance Officer” of an Authority to report on the robustness of the estimates used in preparing the budget. There is then a requirement for the Authority to have regard to the report of the Chief Finance Officer when making decisions on its budget. At Lancashire Fire Authority, the Chief Finance Officer is the Director of Corporate Services.
35. The statutory requirement is reinforced by the Prudential Code, which requires authorities to have regard to affordability when considering recommendations about future capital programmes.
36. The Authority has a medium term planning process that takes account of service demands and the financial scenario covering a 5-year period to 2029. The aim of the Medium Term Financial Strategy is to provide a realistic and sustainable plan that reflects the Authority’s priorities and anticipates the future impact of current decisions. Alongside this, future capital programmes are planned taking into account forecast Government funding, borrowing limits and council tax.
37. For 2024/25, full consideration of these issues had led to:
- Policy and expenditure proposals that reflect the Local Government Finance



- Settlement together with the on-going revenue impact of new capital projects, whilst recognising the outstanding issues and uncertainties.
  - A proposed capital financing budget based on the 2024/25 capital programme.
38. In assessing the robustness of the 2024/25 proposals and the estimates on which they are based, the Director of Corporate Services (DoCS) has been assured that:
- The budget proposals are based on the advice of service managers (supported by finance staff) or are based upon or supported by information that the DoCS considers reasonable to accept.
  - The budget proposals have been fully reviewed and endorsed by the Executive Board and the implications on performance, if any, have been identified and assessed.
  - The proposed budget provides for all known future developments either within the revenue budget itself or as part of the Reserves Strategy.
39. When using estimates in preparing the budget every effort is taken to ensure that they take into account the most up to-date data. There is, however, always the potential for the actual impact to vary from the estimates used in setting the budget, particularly as a result of:
- Variations in the rate of price inflation, pay awards and pension increases;
  - Service financial performance (i.e. variances on budgets);
  - Ability to deliver policy proposals and/or achieve projected savings; and
  - Unforeseen additional operational demands and activities.
40. The potential for unanticipated events to occur that may impact on the budget, reinforce the importance of prudent financial management including:
- Promoting a robust approach to financial management requiring budget holders to monitor expenditure against budget and to take early action in reporting and responding to projected variances;
  - Regular reporting of the projected budgetary outturn supplemented by exception reports to prompt remedial action if necessary; and
  - Maintaining an appropriate and proportionate contingency, as part of the General Reserve, to cushion the impact of unexpected events and emergencies.
41. Based on the advice and assurance set out above and the process by which the budget has been constructed, the DoCS is satisfied that the estimates are robust and can be relied upon for approval as part of the proposed budget.

### **Financial Implications**

42. These are set out in the report.

## **Legal Implications**

43. The Authority is required to approve a balanced budget and set its precept charge on the council tax by 1 March 2024.

## **Business Risk Implications**

44. 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.

## **Environmental Impact**

45. This is a strategic report that does not contain detailed proposals that have any environmental implications. A particular proposal may have such implications but will be identified as each is assessed.

## **Equality and Diversity Implications**

46. This is a strategic report that does not contain detailed proposals that have any equality and diversity implications. A particular proposal may have such implications but will be identified as each is assessed.

## **Human Resource Implications**

47. None

## **Local Government (Access to Information) Act 1985**

### **List of background papers**

Paper: 2024/25 Budget  
Date: 19 February 2024  
Contact: Steven Brown

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

Appendix A: The Medium Term Financial Strategy (MTFS)  
Appendix B: The Capital Strategy  
Appendix C: The Reserves Strategy  
Appendix D: The Treasury Management Strategy

## Medium Term Financial Strategy

### Introduction

1. The purpose of the Medium Term Financial Strategy (MTFS) is to provide the Authority, staff, the public and other stakeholders with information on the financial outlook and the estimated available funding over the next five years. The MTFS takes into account future high level, potential revenue and capital expenditure over the period based upon current known information and estimates.

### The Budget Strategy

2. The purpose of the budget strategy is to provide a basis for determining:
  - The level of funding available in the future to deliver national and local priorities.
  - The future demands upon the revenue budget.
  - The impact of external factors.
  - The financial implications of collaborations, partnerships etc.
  - The amount of capital investment which is required to achieve corporate objectives.
  - The revenue consequences of such capital investment.
  - The future reserve levels.
  - The impact of additional demands on the level of council tax that is required.
  - The potential impact of the main financial risks facing the organisation.
3. The above helps to establish the anticipated level of funding and demands on finances over the MTFS period enabling strategic financial planning processes to address the challenges and outcomes. The following sets out the key principles for that planning process:
  - Ensure that plans contribute to improved outcomes in support of set priorities within the Community Risk Management Plan (CRMP).
  - Set a comprehensive, timely, balanced, and realistic budget.
  - Take into account pay and price inflation and achievability of savings.
  - Ensure compliance with the approved capital strategy.
  - Ensure compliance with the approved reserves strategy.
  - Ensure compliance with the approved treasury management strategy.
  - Raise awareness of and communicate key financial messages both internally and externally.

- Ensure budgets set are affordable and do not jeopardise financial stability either in the short or long term.
- Demonstrate that all spending plans achieve value for money.
- Agree spending only when the necessary funding is identified and approved.
- Seek external funding wherever it can be used in a sustainable manner that does not lead to unforeseen costs.
- Publicise significant budget proposals and where appropriate consult with key stakeholders.

## **Financial Scenario**

4. It is imperative that the MTFs takes account of the local, regional, national, and global economies. This provides a basis for the estimates and assumptions used.
5. The Authority receives its main funding from three sources – Government grants, business rates and local council tax (known as a precept). Council Tax and Business Rates represents 85% of our funding.
6. On 5 February 2024, the Secretary of State for the Department for Levelling Up, Housing and Communities (DLUHC), released the final local government finance settlement 2024/25. It is for one year only and based on the Spending Review 2021 (SR21) funding levels, updated for the 2023 Autumn Statement announcements. The main headlines for the 2024/25 budget are:
  - The council tax referendum limit will be 2.99%. The fire sector had lobbied for a £5 increase (equivalent to 6.1% for the Authority) that is consistent with 2023/24 and reflects current inflationary and demand pressures.
  - The Fire Services Pension Grant of £3.3m has been included in the Revenue Support Grant (RSG) from 2024/25, it was previously included in the service net budget. This has no overall impact, but it increases our net budget and sources of funding income by £3.3m.
  - The September CPI figure of 6.7% has been applied to increase business rates grant funding (£12.1m) and the Revenue Support Grant (£13.5m).
  - The Services Grant reduced from £0.6m in 2023/24 to £0.1m in 2024/25.
  - One year Funding Guarantee Grant received of £0.9m. We did not receive this in 2023/24 but it ensures each authority's funding overall increases by at least 4%.
7. A precept is levied on the council tax to partly fund the authority and it is the responsibility of the Authority to set the level of precept as part of the annual budget setting process. To calculate the level of council tax funding, each local authority calculates the taxbase (the assimilated number of council tax bills issued) taking into account changes in the number of houses, council tax benefits etc. These vary each year and the MTFs includes assumptions for these changes based on discussions with and forecasts supplied by the local collection authorities.

8. It is now standard for the Government to set a limit on the amount by which a local authority can increase its council tax each year, with any increase above this limit requiring a referendum. The Provisional Local Government Finance Settlement confirmed that for 2024/25 this is 2.99% at Band D for one year only.
9. Each year the council tax income is calculated based on assumed levels of collection rates by the local authorities. This means that at the end of each year, an adjustment has to be made to reflect the actual collection rate. If more has been collected, the fund will be in surplus; if less has been collected, the fund will be in deficit. The Authority will either receive its share of any surplus or be required to pay its share of any deficit and this is taken into account as part of the overall budget setting process.
10. The same process applies to the collection of local business rates in which the Authority has a 1% stake. The details of these are published by the end of the January prior to setting the budget.

### MTFS Key Financial Assumptions

11. Some of the key financial assumptions and estimates in the five-year MTFS are set out below:

<b>Key Assumptions</b>	<b>24/25</b>	<b>25/26</b>	<b>26/27</b>	<b>27/28</b>	<b>28/29</b>
Uniform Pay Award (Apr - Jun)	5%	3%	2%	2%	2%
Uniform Pay Award (Jul - Mar)	3%	2%	2%	2%	2%
Non-uniform Pay Award	3%	2%	2%	2%	2%
General inflation	3%	2%	2%	2%	2%
Establishment start of year	654	636	634	635	640
New recruits during year	0	18	38	38	20
No of Leavers	(18)	(20)	(37)	(33)	(21)
Establishment end of year	636	634	635	640	639
Council Taxbase % increase	1.38%	0.79%	0.79%	0.79%	0.79%
Council tax precept % increase	2.99%	2.99%	2.99%	2.99%	2.99%

- Inflation – These include:
  - An allowance of 3% for pay awards in 2024/25 has been included with 2% thereafter.
  - Specific increases in price inflation for known areas has been assumed.
  - Other non-pay budgets have increased by the latest Office of Budget Responsibility (OBR) CPI figures; 3% in 2024/25 and 2% thereafter. If pay awards are higher than assumed, they will need to be met from reserves or in year savings in 2024/25 with additional savings made in future years. Each 1% increase results in an additional £0.5m and £0.1m for Grey book and Green book staff respectively.

- Commitments – These reflect the impact of previous decisions that have a financial consequence or are due to policy, legal or regulatory changes. In 2024/25 the commitments include:
    - The Authority reaffirmed their commitment to the North West Fire Control in December 2023 including an increased contribution to their costs due to changes in activity levels and result in an increase of £0.2m.
    - The reduction in interest rates results in a loss of investment income of £0.4m in 2024/25.
    - Vacancy levels across the organisation are forecast to be lower in 2024/25 along with more staff expected to reach Competency, this results in an increase establishment cost of £0.4m in 2024/25.
    - The Emergency Cover Review (ECR) approved by the Authority in 2022 resulted in an overall increase of 8 Wholetime Firefighter across the Service. In 2024/25 there is a resourcing commitment of £0.2m as previously agreed, to fund these posts.
  - Permanent Resourcing – These include:
    - An allowance is made in future years for replacement Personal Protective Equipment based on recommended lifespan.
    - A reduction is forecast at the next valuation of the Local Government Pension Scheme surplus resulting in a pressure in 2026/27 of £0.5m.
    - Additional borrowing is required to meet the planned capital programme from 2025/26. This results in an overall increase in borrowing costs (repayment and interest) from 20225/26 of £0.3m, rising to £2.1m by 2028/29. This is considered in more detail in the Capital Strategy Appendix.
  - One off items in 2024/25 include:
    - Opportunities for four non-operational apprentices for two years have been identified that results in a one off item of £0.1m.
    - Additional short-term funding of £0.4m is provided to meet resourcing pressures in support services.
  - Identified savings – These include:
    - A reduction in the Contribution to Capital of £1.5m is proposed, this results in a revenue contribution in 2024/25 of £2.5m; this is consistent with the average contribution made over the previous 10 years. See the Capital Strategy for further information on the Capital Programme.
    - From 2026/27 efficiencies of £2.5m are required to be delivered and are included in the MTFS.
  - Funding – Detailed assumptions are included in the MTFS, in broad terms the funding growth is between 2% and 3%.
12. The summary MTFS is set out below and in more detail in Appendix 1 of this report.

<b>Revenue MTFS</b>	<b>24/25 £m</b>	<b>25/26 £m</b>	<b>26/27 £m</b>	<b>27/28 £m</b>	<b>28/29 £m</b>
Base Budget	71.6	75.2	76.5	78.7	81.0
Inflation	2.5	1.6	1.6	1.6	1.6
Commitments	1.3	(0.0)	0.5	0.1	(0.3)
Growth – permanent	0.7	0.6	1.4	0.4	0.5
One-off items	0.5	(0.3)	0.2	(0.3)	0.1
Identified Savings	(1.5)	(0.5)	(1.5)	0.5	0.5
<b>Net Budget</b>	<b>75.2</b>	<b>76.5</b>	<b>78.7</b>	<b>81.0</b>	<b>83.5</b>
Council Tax	(39.4)	(40.8)	(42.4)	(44.0)	(45.7)
Business Rates	(21.3)	(21.7)	(22.1)	(22.6)	(23.0)
Revenue Support Grant	(13.5)	(13.9)	(14.1)	(14.4)	(14.7)
Other Grants	(1.0)	(0.1)	(0.1)	(0.1)	(0.1)
<b>Funding</b>	<b>(75.2)</b>	<b>(76.5)</b>	<b>(78.7)</b>	<b>(81.0)</b>	<b>(83.5)</b>

### MTFS Risks and Scenarios

13. The following significant financial risks have been identified and assessed by the Director of Corporate Services and he feels these are adequately covered within the budget estimates presented or within the level of reserves currently held:

- Reductions in levels of funding over and above those forecasted.
- Changes to the Business Rates Retention Scheme.
- Adverse changes because of the implementation of the Fair Funding Review.
- Reduction in Council Tax funding.
- Higher than anticipated inflation.
- Larger increases in pension costs.
- Significant changes to retirement profiles.
- Increase in demand led pressures.
- Higher insurance claims.

14. The key budget risks are quantified below in the following budget scenarios:

<b>Budget Scenarios</b>	<b>24/25 £m</b>	<b>25/26 £m</b>	<b>26/27 £m</b>	<b>27/28 £m</b>	<b>28/29 £m</b>
General Reserve	4.8	4.9	5.1	4.9	4.9
Revised GR after:					
- 1% higher pay award	4.4	3.9	3.5	2.7	2.0
- Grant freeze 25/26 to 28/29		4.5	4.4	3.2	2.0
- 10% funding reduction from 2025		3.6	2.7	1.0	(0.5)

15. The analysis shows that whilst the general reserve is sufficient to meet an element of volatility however, there would need to be structural changes to the

underlying cost base should any of these scenarios materialise in order to maintain financial sustainability for the period of the MTFS.

### Indicative Capital Programme

16. The Authority has a ten-year capital programme, from 2024/25 to 2033/34. This reflects the Authority's capital aspirations in the Fleet, Estates and ICT strategies. The first five years of the strategy are set out below. Work is ongoing to refine the later years of the programme (from years 6 to 10), in particular with detailed condition surveys across our estate.
17. The table below shows the Authority's first five years of the Capital Programme and how it is anticipated that it will be funded.

Capital Programme	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Vehicles	3.2	1.6	1.6	1.6	2.1
Operational Equipment	1.3	1.0	0.9	0.4	0.6
Buildings	3.5	15.4	15.4	7.9	10.8
ICT	2.2	2.3	0.6	0.2	0.5
	<b>10.2</b>	<b>20.3</b>	<b>18.5</b>	<b>10.0</b>	<b>13.9</b>
<b>Funding</b>					
Revenue Contributions	2.5	2.0	3.0	3.5	4.0
Capital Reserve	7.7	11.1	0.0	0.0	0.0
Capital Receipts	0.0	0.0	0.0	5.0	0.0
Grants	0.0	1.0	0.0	0.0	0.0
Borrowing	0.0	6.2	15.5	1.5	9.9
<b>Total</b>	<b>10.2</b>	<b>20.3</b>	<b>18.5</b>	<b>10.0</b>	<b>13.9</b>

18. Full details of the 10-year capital programme and its associated funding are included in the Capital Strategy. In addition, given the above funding proposals includes borrowing, the impact of this is discussed in more detail within the Treasury Management Strategy.



## Appendix 1

### Analysis of Budget by Service Area

	2024/25	2025/26	2026/27	2027/28	2028/29
	£m	£m	£m	£m	£m
Service Delivery	40.74	41.28	42.41	43.33	44.02
Prevention & Protection	3.39	3.47	3.54	3.62	3.70
Centralised Administration	0.92	0.94	0.96	0.98	1.00
Control	2.07	2.11	2.21	2.25	2.30
Corp Comms	0.39	0.40	0.41	0.42	0.43
Digital Transformation	0.80	0.81	0.75	0.76	0.78
Exec Board	1.13	1.16	1.18	1.21	1.23
Finance	0.21	0.22	0.22	0.23	0.23
Fleet Services	3.61	3.49	3.56	3.64	3.71
Health & Safety	0.28	0.29	0.29	0.30	0.31
Human Resources	1.04	0.99	1.01	1.03	1.05
IT	3.41	3.48	3.52	3.60	3.67
OCC Health	0.31	0.32	0.33	0.33	0.34
Pensions	1.43	1.45	1.48	1.50	1.53
Procurement	0.79	0.91	0.90	0.91	0.93
Service Development	1.98	2.02	2.06	2.10	2.14
Special Projects	0.04	0.04	0.04	0.04	0.04
TOR	4.47	4.55	4.82	4.96	4.89
Property	4.12	4.35	4.45	4.54	4.64
Overheads	4.03	4.23	4.57	5.30	6.54
<b>Grand Total</b>	<b>75.16</b>	<b>76.50</b>	<b>78.71</b>	<b>81.04</b>	<b>83.45</b>

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## Capital Strategy

### Introduction

1. The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities establishes a framework that supports local strategic planning, asset management and appropriate options appraisal.
2. The objectives of the Code are to ensure that the capital plans of an organisation are affordable, prudent, and sustainable and the treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved.

### Definition

3. To utilise the full extent of the Code and its framework, it is essential that there is a clear understanding of what capital expenditure is. Unless expenditure qualifies as capital it will normally fall outside the scope of the Code and its framework and be charged to revenue in the period in which the goods or services were received. If expenditure does qualify as capital, there are opportunities to finance such spend from any capital receipts held or to spread the cost over future years in line with the life of the asset(s) purchased/created.
4. In the main, expenditure must meet one or more of the following conditions for it to be classified as capital:
  - Spend results in the acquisition, construction, or enhancement of an asset (tangible or intangible) in accordance with 'proper practices'.
  - Spend meets one of the definitions specified in regulations made under the 2003 Local Government Act.
  - The Secretary of State makes a direction that the expenditure can be treated as capital.

### Context

5. The capital expenditure plans are largely limited to replacing and upgrading essential operational assets (e.g. Estate Facilities, Vehicles, Equipment, Communications Infrastructure).
6. This Capital Strategy forms part of our financial strategies, these are one of six core strategies that set out how we will provide services in line with the following priorities in our five-year Community Risk Management Plan (CRMP):
  - Valuing our people.
  - Preventing fires.
  - Protecting people and property.
  - Responding to fires and other emergencies.

- Delivering value for money.
7. The Authority is committed to having rolling medium term revenue and capital plans (summarised in a Medium Term Financial Strategy – MTFs) that extends for up to five years. The plans are drawn up, reassessed, and extended annually and if required re-prioritised to enable the Authority to achieve its aims and objectives established in the CRMP.
  8. In the past, general capital grant funding was received each year from the Government, which helped to fund replacement of vehicles, IT, operational equipment, and capital maintenance of buildings. This general capital grant funding ended in 2014/15. As a result, all capital investment since then has been funded from the Authority's own resources unless specific funding was available. No further government capital grant funding is anticipated going forward. The level of reserves currently held will not be sufficient to fund the proposed capital works over the medium term and borrowing will therefore be required going forward to meet the capital programme. Borrowing incurs on-going costs of interest payments and the funding that is set aside to repay the loan in due course.
  9. The Authority has not utilised borrowing to fund its capital programme and thus has one of the lowest levels of borrowing of all fire services in the country. However, the necessary investment in the estate cannot be delivered without borrowing.
  10. Key focuses of the Capital Programme plans, all aligned to achieving the Authority's priorities are:
    - To ensure the property estate remains fit for purpose, identifying opportunities to streamline assets and develop the estate infrastructure, maintaining core sites and improving core training facilities.
    - The replacement of other core assets where necessary, e.g., vehicles, operational equipment, and communication infrastructure.
    - Development of improved capability.
    - To ensure provision is made for ICT to maintain and develop the existing infrastructure and invest in the core technologies required to provide innovative and efficient digital services.
    - Invest to Save Schemes.
  11. The plans must consider the constrained financial position of the Authority and the need to maximise both the available financial resources and the capacity that the Service has to manage change projects.

## **Governance**

12. The annual budget setting process is an ongoing process managed by the Authority's Executive Board. Capital projects are considered by the Executive Board, they include a business case that identifies the organisational requirement, rationale, deliverables, benefits, links to the Authority's priorities

and costs in terms of both capital investment and ongoing revenue consequences.

13. The delivery of capital projects is over overseen by the Capital Projects Programme Board (CPPB) and reported to the Service Management Team – Corporate Programme Board (CPB). Capital budget monitoring reports are presented to the Resources Committee to monitor progress.
14. A Member Capital Projects Working Group has also been established to oversee the development and delivery of our major capital projects and progress is also reported to the Resources Committee that considers any slippage, variances and accelerated spend.
15. An updated MTF5 and Capital Strategy, including a recommended Capital Programme for the next year, is then presented to the Authority, providing views on affordability, potential funding issues and options.
16. To evaluate the success and outcomes of capital projects, a post project review is carried out. The depth of this review is proportionate to the scale of the project and the benefits set out in the initial Project Initiation Documentation. This review focuses on the outcomes achieved, the extent to which the benefits claimed are being realised, the actual costs, both revenue and capital, and the impact of other funding and partnership working. This information can then be used to learn lessons and make any improvements during subsequent projects. The post project report is reviewed by the CPPB and escalated to the CPB if required.

## **Funding Streams**

17. Capital expenditure can be funded from a number of sources as set out below:
  - Government Grants – these are either general grants which can be used to fund any capital spend approved by the Authority or specific grants which can only be used to fund specific projects in line with any conditions placed with the grant. The Authority has not received an annual government capital grant allocation since 2014/15.
  - Capital Receipts – when an asset held by the Authority is sold, the proceeds are held in reserve to be used either to fund future capital expenditure or to repay debt. They cannot be used to fund revenue expenditure.
  - Reserves – funds can be set aside and held in earmarked reserves if known expenditure is to be incurred at a future date. These reserves can then be used to fund such expenditure be it capital or revenue. In terms of capital expenditure, it may be known that a specific asset may need replacing in 10 years and therefore funds are set-aside each year to build up the reserve to fund the replacement. Details of the reserves held are found within the Authority's Reserves Strategy.
  - External Contributions – these are funds or grants provided by external organisations such as collaboration partners or local authorities for specifically agreed capital expenditure.

- Borrowing – the Authority is permitted in law to take out loans or financing to fund capital expenditure. The Prudential Code sets out the requirements under which such borrowing must be undertaken including affordability, prudence, and cost effectiveness. Any borrowing will incur costs for interest payable and the need to set-aside sufficient funds to repay the loan. These costs impact on the revenue budget.

## Capital Programme

18. The Authority has a ten-year capital programme, from 2024/25 to 2033/34. This reflects the Authority's capital aspirations in the Fleet, Estates, and ICT strategies. The first five years of the strategy are more detailed, but work is ongoing to develop a more detailed ten-year strategy, in particular with detailed condition surveys across our estate.
19. The table below shows the Authority's first five years of the Capital Programme and how it is anticipated that it will be funded. The detailed ten-year capital programme is set out in Appendix 1 of this paper.

£m	24/25	25/26	26/27	27/28	28/29
Vehicles	3.2	1.6	1.6	1.6	2.1
Operational Equipment	1.3	1.0	0.9	0.4	0.6
Buildings	3.5	15.4	15.4	7.9	10.8
ICT	2.2	2.3	0.6	0.2	0.5
	<b>10.2</b>	<b>20.3</b>	<b>18.5</b>	<b>10.0</b>	<b>13.9</b>
<b>Funding</b>					
Revenue Contributions	2.5	2.0	3.0	3.5	4.0
Capital Reserve	7.7	11.1	0.0	0.0	0.0
Capital Receipts	0.0	0.0	0.0	5.0	0.0
Grants	0.0	1.0	0.0	0.0	0.0
Borrowing	0.0	6.2	15.5	1.5	9.9
<b>Total</b>	<b>10.2</b>	<b>20.3</b>	<b>18.5</b>	<b>10.0</b>	<b>13.9</b>

20. The 2023/24 five-year capital programme approved by the Authority in February 2023 included three major projects; Headquarters relocation (£15m), Training Centre Props (£5m) and Preston replacement station (£10m). Together with the Member Capital Working Group, officers have been reviewing the scope of the projects, costings to reflect changes in prices and timings for these three major capital projects. The key changes considered by the working group is reflected in the updated 2024/25 capital programme proposed, these include:
- Headquarters relocation – The business case for the relocation of Headquarters recommended the value for money option of building a new Headquarters at the Training Centre. Alongside this the working group also considered the future of Lancaster House at the Training Centre given the age and maintenance liabilities. The updated project is for a combined Headquarters and Training Facility at the Training Centre,

replacing the current Headquarters at Fullwood and office / teaching space in Lancaster House. This will provide modern office and training facilities that meet current environmental and design requirements. It will also ensure that our people have the best facilities to support health and wellbeing by providing a safe and positive work environment. The costings were updated during the year to reflect the latest inflation forecast and an estimate of £18m is included in the programme between 2024/25 and 2026/27.

- The relocation of Headquarters necessitates the need to invest in a new station to replace Fulwood either on the existing site or at an alternative location. This forms part of the Preston review considered below but is included in the programme at an estimate of £7m in 2027/28 that is part funded by a capital receipt from the sale of land at the Fulwood site.
  - Training Centre Props – A modern and progressive service requires high quality facilities to help in the initial training and ongoing maintenance of competency requirements across a broad spectrum of operational activities. The existing facilities were reviewed alongside more modern facilities in the region. The review identified that greater investment is required to meet our requirements and an estimate of £10m is included in the programme between 2024/25 and 2026/27.
  - Preston replacement station – A review of emergency cover in Preston has commenced. The aim of the review is to create a new, modern station either in the same place or another location that serves both our staff and the local community well. To date, 25 sites have been considered and further work is ongoing, however many of these sites have been discounted due to unavailability. The budget remains at £10m and is programmed for the final year of the five-year programme however, work is required in the short term on the current station, particularly on the welfare facilities and training area, and this has been included in the capital programme. The budget for the replacement remains at £10m and is programmed for 2028/29.
21. Whilst we have sequenced the projects as detailed, the Authority should remain flexible, and the years that the projects are delivered may change due to opportunities of land and other matters, details of which will be discussed with the Working Group and approvals sought as required.
  22. To fund the Capital Programme, table four shows that in addition to utilising the Capital Reserve and revenue contributions, £31m of additional borrowing is required. The long-term revenue costs of this borrowing, based on the latest borrowing forecasts, is approximately £2.5m per annum which is included in the MTFS.

### **Affordability**

23. Capital expenditure plans are a key driver of treasury management activity. The funding of such plans impacts on cash balances and borrowing

requirements in the short and longer terms. The on-going consequences of these decisions have a direct impact on the annual revenue budget. As such, having regard to the CIPFA Prudential Code for Capital Finance in Local Authorities, the Authority sets and reviews a number of prudential indicators providing context for proposed capital expenditure plans: how they are to be funded, the impact on the organisation's finances; and their affordability in terms of the impact on revenue budgets.

24. Full details and commentary on the prudential indicators are found within the Authority's Treasury Management Strategy 2024/25. Along with controls and limits relating to levels of capital expenditure and resulting borrowing requirements, these prudential indicators also include a specific affordability indicator, shown below, which provides an indication of the impact of the above capital expenditure plans and their financing proposals on the overall finances.

### **Risk Management**

25. Risk is the threat that an event or action will adversely affect the Authority's ability to achieve its desired outcomes and ability to execute its strategies successfully. Risk management is the process of identifying risks, evaluating their potential consequences, and determining the most effective methods of managing them and/or responding to them. It is both a means of minimising the costs and disruption to the organisation caused by undesired events and of ensuring that staff understand and appreciate the elements of risk in all their activities.
26. The aim is to reduce the frequency of adverse risk events occurring (where possible), minimise the severity of their consequences if they do occur, or to consider whether risk can be transferred to other parties. The corporate risk register sets out the key risks to the successful delivery of corporate aims and priorities and outlines the key controls and actions to mitigate and reduce risks or maximise opportunities.
27. To manage risk effectively, the risks associated with each capital project need to be systematically identified, analysed, influenced, and monitored. It is important to identify the appetite for risk for each scheme and for the capital programme, especially when investing in complex business change programmes. Where greater risks are identified as necessary to achieve desired outcomes, the organisation will seek to mitigate or manage those risks to a tolerable level. All key risks identified as part of the capital planning process are considered for inclusion in the corporate risk register.
28. The Treasurer will report on the deliverability, affordability and risk associated with this Capital Strategy and the associated capital programme. Where appropriate they will have access to specialised advice to enable them to reach their conclusions.
  - Credit Risk - The risk that an organisation with which we have contracted to deliver capital projects becomes insolvent and cannot complete the agreed contract. We will ensure that robust due diligence procedures



cover the appointment of partners and contractors relating to capital programme delivery. Where possible contingency plans will be identified at the outset.

- Liquidity Risk - This is the risk that the timing of any cash inflows from a project will be delayed, for example if other organisations do not make their contributions when agreed. There is also a risk that the cash inflows will be less than expected, for example due to the effects of inflation, interest rates or exchange rates. Our exposure to this risk will be monitored via the revenue and capital budget monitoring processes and mitigating actions taken promptly where appropriate.
- Interest and Exchange Rate Risk - This is the risk that interest rates or exchange rates will move in a way that has an adverse effect on the value of capital expenditure or the expected financial returns from a project. Rates will be reviewed as part of the on-going monitoring arrangements to identify such adverse effects. As far as possible, our exposure to this risk will be mitigated via robust contract terms and when necessary, contract re-negotiations.
- Inflation Risk - This is the risk that rates of inflation will move in a way that has an adverse effect on the value of capital expenditure or the expected financial returns from a project. Rates of inflation will be reviewed as part of the ongoing monitoring arrangements to identify such adverse effects. As far as possible our exposure to this risk will be mitigated via robust contract terms and when necessary, contract re-negotiations.
- Legal and Regulatory Risk - This is the risk that changes in laws or regulation make a capital project more expensive or time consuming to complete, make it no longer cost effective or make it illegal or not advisable to complete. Before making capital investments, the Authority will understand the powers under which the investment is made. Forthcoming changes to relevant laws and regulations will be kept under review and factored into any capital bidding and programme monitoring processes.
- Fraud, Error, and Corruption - This is the risk that financial losses will occur due to errors or fraudulent or corrupt activities. Officers involved in any of the processes around capital expenditure or funding are required to follow the agreed Code of Corporate Governance. Cheshire Fire Authority has a strong ethical culture which is evidenced through its values, principles, and appropriate behaviour. This is supported by a Code of Ethics and detailed policies such as Anti-Fraud and Corruption and processes such as that in relation to declaration of interests.

## **Future Actions**

29. This Capital Strategy looks ahead over the next 10 years to 2034 and will be refined considering emerging and changing issues, circumstances, and priorities.

## Appendix 1

### Capital Programme – 2024/25 – 2033/34

£'m	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	TOTAL
<b>Vehicles</b>											
Aerial Ladder Platform	0.251										0.251
Fire appliance	0.750	0.750	1.250	1.000	1.000	1.000	1.250	0.880	0.440	1.000	9.320
Climate change Vehicle	0.150	0.500									0.650
Water tower	1.100				0.550						1.650
Foam Pod				0.029	0.029	0.059	0.029				0.146
Prime Mover	0.297										0.297
Car - Small	0.060	0.040	0.040		0.120		0.060				0.320
Car - Medium	0.115	0.069	0.023	0.207			0.138				0.552
Car - Large			0.054		0.027						0.081
Car - Flexible Duty Officer	0.224	0.028	0.083	0.248	0.110	0.028	0.083				0.802
People Mover					0.091						0.091
Double Cab Van	0.054	0.081		0.054	0.054		0.054				0.297
Lorry	0.045										0.045
Pick up					0.023	0.138					0.161
Telehandler			0.045								0.045
Rescue Team Van	0.123						0.114				0.237
Mini bus					0.028						0.028
Van - Catering Unit			0.030								0.030
Van - Dog Unit		0.055									0.055
Van - Large		0.034	0.034	0.034	0.067	0.067	0.067				0.302
Van - Small				0.023	0.023						0.045
<b>Subtotal</b>	<b>3.169</b>	<b>1.556</b>	<b>1.558</b>	<b>1.594</b>	<b>2.121</b>	<b>1.291</b>	<b>1.795</b>	<b>0.880</b>	<b>0.440</b>	<b>1.000</b>	<b>15.403</b>
<b>Operational Equipment</b>											
Breathing Apparatus sets & telemetry		1.000	0.900	0.320							2.220







*Note: The 2024/25 capital programme includes slippage from the 2023/24 capital programme approved by the Resources Committee during the year and the following additional slippage items due to timing delays: Fire Appliance £0.3m, Wylfa Prop £0.1m, Blackpool Dormitory £0.5m, Drill Tower replacements £0.6m and Estate Improvements £0.1m. These will be delivered in the first quarter of the 2024/25. The resulting revised capital programme for 2023/24 is £7.6m*

## Reserves Strategy

### Background

1. The Local Government Act 1992 requires billing and precepting authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
2. In addition to the above requirement, Section 25 of the Local Government Act 2003 also requires the Treasurer (the Director of Corporate Services for the Authority) to present a report assessing the adequacy of the unallocated reserves (referred to as the General Reserve) in the context of threats and demands together with corporate and financial risks facing the organisation. The Authority needs to balance the necessity for reserves against the cost to council taxpayers and arrive at a level that is both prudent and adequate for the current climate, but not excessive.
3. The Reserves Strategy sets out the reserves held, their intended usage and the strategy for ensuring the funds are maintained at an appropriate level. Reserves are held for three main purposes:
  - To cover unforeseen risks and expenditure that may be incurred outside of planned budgets – known as a general reserve.
  - To set-aside funds for specific purposes, known or predicted pressures, or future liabilities – known as earmarked reserves.
  - To hold capital receipts from sale of assets, the use of which is restricted under legislation to the purchase of new assets, or the repayment of debt.
4. In addition to holding financial reserves, there are several safeguards in place that mitigate against the risk of local authorities over-committing themselves financially:
  - There is a legal requirement to set a balanced budget.
  - In accordance with the 1988 Local Government Finance Act, the Chief Finance Officer (DoCS for the Authority), must report if there is or is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted, and it is forecast that expenditure will exceed resources.
  - The external auditor's responsibility to review and report on financial standing.
5. While it is primarily the responsibility of Members and the DoCS to maintain a sound financial position, the external auditors have a responsibility to review the arrangements in place to ensure that financial standing is soundly based. The work undertaken by external auditors will include a review of the level of reserves and the advice given to Members by the DoCS.

6. The Fire and Rescue National Framework (May 2018), includes the requirement that fire authorities “should establish a policy on reserves and provisions in consultation with their Chief Finance Officer”. It also requires that “fire authorities should publish their Reserves Strategy, including details of the current and future planned levels, the purpose for which each reserve is held and how each reserve supports the Medium Term Financial Strategy (MTFS).

### **Determining the level of Reserves**

7. There is no statutory guidance on the “right” level of reserves. Guidance from The Chartered Institute of Public Finance and Accountancy (CIPFA) confirms that each authority should make, on the advice of the Treasurer, their own judgement based on relevant local circumstances and the potential issues/risks that may occur across the medium term.
8. In determining an appropriate level of reserves for the Authority the range of risks and issues that should be considered will include the following:
  - The possibility of additional savings being required in the future and the potential difficulty in delivering such savings. Future funding levels are unclear with only the 2024/25 funding known. If increased demands or commitments outstrip funding, savings will be required.
  - The provision of cover for extraordinary or unforeseen events occurring. Given that the purpose of the fire and rescue service is to respond to emergency situations, there is always the potential for additional, unexpected, and unbudgeted expenditure to occur.
  - The level of self-insurance that is carried to minimise insurance premiums: potential insurance liabilities can vary significantly across financial years. The levels of liabilities are difficult to forecast accurately, and it would not be appropriate to budget for peak levels of expenditure on self-insured liabilities.
  - The commitments falling on future years because of capital plans and proposals to improve/develop the assets held by the Authority. Having reserves would mitigate the impact on the revenue budget of borrowing and/or the need to make further revenue contributions to capital and would support projects and programmes that will improve the assets held by the Authority.

### **Purpose and Use of each Reserve**

9. The General Reserve and each Earmarked Reserve and its purpose is set out in Appendix 1; together these are known as the Usable Reserves. Each earmarked reserve has a set manager who is responsible for that reserve. Movement to and from reserves is in the first instance is approved by the Authority as part of the annual budget.
10. Reporting of the level of reserves and forecast outturn will be provided as part of the quarterly budget updates submitted to the Resources Committee.



11. The Authority holds a Public Finance Initiative (PFI) reserve for each of its PFI accommodation schemes. Annual PFI Grants exceed the annual unitary charge in the earlier years of the contract and are set aside to part fund the unitary charge in the later years of the contract when the unitary charge exceeds the PFI grants.
12. It is good practice for an Authority to review its reserves on a regular basis to consider each reserve. This is to ensure that the level that is both prudent and adequate for the current climate, but not excessive. A review has been undertaken based on historical analysis and the current environment and future resulting in a rationalisation of several reserves. This review resulted in transferring some elements of the insurance and pay reserves to the general reserve and Innovation Fund.

### **Overall Position**

13. The forecast balances on usable reserves is set out in Appendix 1. One of the key elements of the Reserves Strategy will be to use the earmarked Capital Reserves to support the Capital Strategy. The Capital Strategy anticipates utilising the capital reserve over the next two years.

## Usable Reserves

	Forecast	Estimated	Estimated	Estimated	Estimated	Estimated
Reserve - Purpose	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
General Reserve - min level £3.75m	4.8	4.9	5.1	4.8	4.9	4.9
<b>Earmarked Reserves</b>						
Capital Reserve - to fund capital expenditure	18.8	11.1	0.0	0.0	0.0	0.0
PFI Reserves - PFI Grants set aside to offset future charges	4.9	4.8	4.6	4.4	4.1	3.8
Budget Holders Reserves - enables budget holders to carry forward any surplus or deficit from one financial year to the next, within prescribed limits.	0.6	0.3	0.3	0.2	0.2	0.1
Insurance - The maximum insurance costs to the Authority are £0.7m - together with the provision this reserve will meet 1 year's maximum claims.	0.2	0.2	0.2	0.2	0.2	0.2
Princes Trust - to manage funding timing differences and mitigate the risk of loss of funding in the short term.	0.4	0.4	0.4	0.4	0.4	0.4
Innovation Fund - to meet the costs of new initiatives / developments which improve service delivery of fire fighter safety subject to approval of the Executive Board.	0.5	0.4	0.3	0.2	0.1	0.0
<b>Total</b>	<b>30.2</b>	<b>22.1</b>	<b>10.9</b>	<b>10.2</b>	<b>9.9</b>	<b>9.4</b>

## Treasury Management Strategy

### Introduction

1. 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.”
2. 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).
3. 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 2024/25.

### Treasury Management Strategy for 2024/25

4. 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 regarding delegation and reporting.
5. This Authority has adopted the following reporting arrangements in accordance with the requirements of the revised Code:

Table 1 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

Area of Responsibility	Committee/ Officer	Frequency
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

6. 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 2024/25**

7. 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:**

8. The impact on the UK from higher interest rates and inflation, a weakening economic outlook, an uncertain political climate due to an upcoming general election, together with war in Ukraine and the Middle East, will be major influences on the Authority's treasury management strategy for 2024/25.
9. The Bank of England (BoE) increased Bank Rate to 5.25% in August 2023, before maintaining this level in September and then again in November.
10. The November quarterly Monetary Policy Report (MPR) forecast a prolonged period of weak Gross Domestic Product (GDP) growth with the potential for a mild contraction due to ongoing weak economic activity. The outlook for

Consumer Price Index (CPI) inflation was deemed to be highly uncertain, with near-term risks to CPI falling to the 2% target coming from potential energy price increases, strong domestic wage growth and persistence in price-setting.

11. The UK economy grew by 0.2% between April and June 2023. The BoE forecasts GDP will likely stagnate in Q3 but increase modestly by 0.1% in Q4, a deterioration in the outlook compared to the August MPR. The BoE forecasts that higher interest rates will constrain GDP growth, which will remain weak over the entire forecast horizon.
12. Office for National Statistics (ONS) figures showed CPI inflation was 6.7% in September 2023, unchanged from the previous month but above the 6.6% expected. Core CPI inflation fell to 6.1% from 6.2%, in line with predictions. Looking ahead, using the interest rate path implied by financial markets the BoE expects CPI inflation to continue falling, declining to around 4% by the end of calendar 2023 but taking until early 2025 to reach the 2% target and then falling below target during the second half 2025 and into 2026.

### Interest rate Forecast

13. Many commentators consider that with inflation and wage growth falling, the Bank Rate has peaked at 5.25%. It is anticipated that the Bank of England's Monetary Policy Committee will cut rates in the medium term to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. Both the forward markets and the County Councils treasury management adviser are anticipating cuts to start by mid-2024 and that they will fall to around 3% by September 2026.

### Current Treasury Portfolio Position

14. At the 31 December 2023, the debt and investments balances were:

Table 2 Debt and Investments balances

<b>Debt</b>	<b>Principal £m</b>	<b>%</b>
Fixed rate loans from the Public Works Loan Board	2.000	100
Variable rate loans	-	-
<b>Total</b>	<b>2.000</b>	<b>100</b>
<b>Investments</b>		
Variable rate investments with Lancashire County Council	7.695	25.0
Fixed rate investments	23.500	75.0
<b>Total</b>	<b>31.195</b>	<b>100</b>

15. The level of investments represents 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 £29.195m.

### Borrowing and Investment Requirement

16. In the medium term, LCFA 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.

17. 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 Minimum Revenue Provision (MRP) was made in 2019/20 to take the future loans element of the MRP to nil.

Table 3 Borrowing/Investment Need

	31/03/2024	31/03/2025	31/03/2026	31/03/2027
	£m	£m	£m	£m
Capital Financing Requirement	12.351	11.868	17.496	32.248
Less long-term liabilities (PFI and finance leases)	-12.351	-11.868	-11.339	-10.760
Less external borrowing	-2.000	-2.000	-2.000	-2.000
<b>Borrowing requirement</b>	<b>-2.000</b>	<b>-2.000</b>	<b>4.157</b>	<b>19.488</b>
Reserves and working capital	31.558	30.012	22.316	11.214
<b>(Borrowing)/Investment need</b>	<b>33.558</b>	<b>32.012</b>	<b>18.159</b>	<b>-8.274</b>

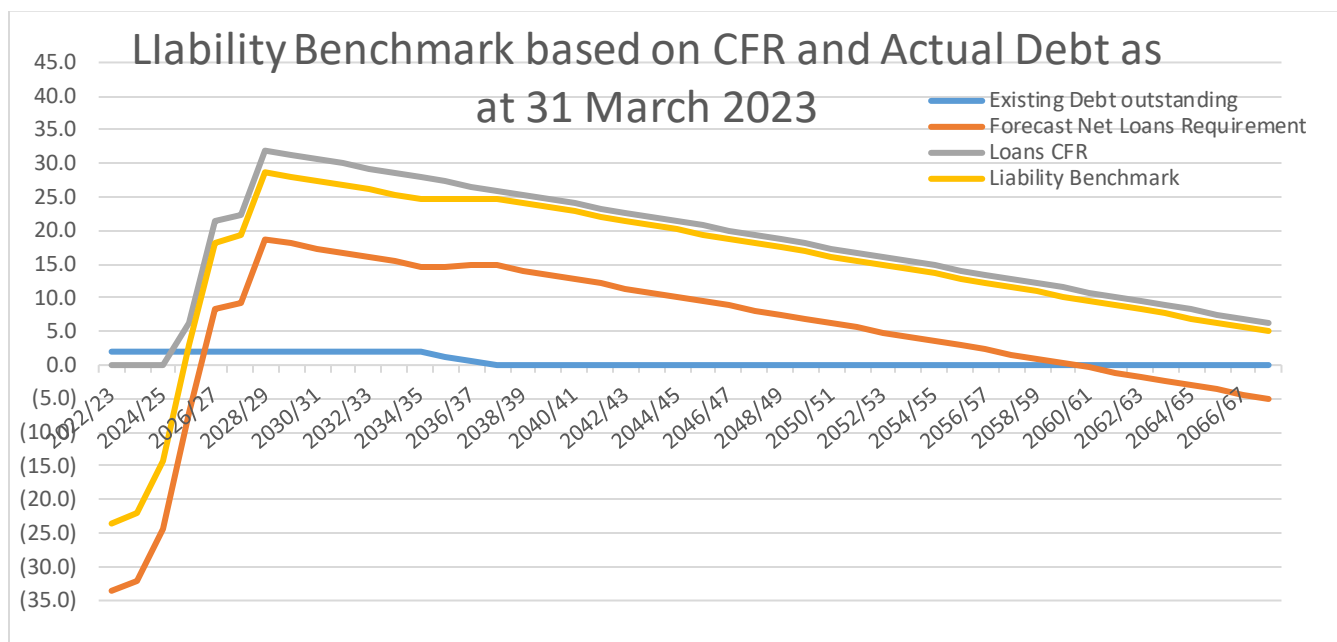
18. CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. However, the table above shows that the level of loans was above the CFR at 31/3/23. This was the result of the Authority adopting a policy of setting aside additional MRP to generate the cash to repay loans either on maturity or as an early repayment.
19. The table above indicates that rather than having a need for borrowing it is estimated that the authority has an underlying need to invest until 2025/26 although the available balances are forecast to reduce. Based on the latest capital programme the authority will have a borrowing requirement in 2026/27.
20. 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

21. The liability benchmark is an indicator required by the CIPFA Code. It looks to compare the Council'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 from 2026/27 onwards. The liability benchmark is shown in the graph below:

Graph 1 showing Liability Benchmark and Borrowing Scenarios



22. 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

23. 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 2024/25. 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.

24. In the past, the Authority has raised all 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.

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

26. 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**

27. In line with the Prudential Code the Authority will not borrow purely 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.
28. 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 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**

29. The Authorities debt has arisen because 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 2024 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 4 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.)

30. If the loans were to be repaid early there would be an early repayment (premium) charge. Previous reports on treasury management activities have



reported that the premium and the potential loss of investment income have been greater than the savings made on the interest payments therefore it has not been considered financially beneficial to repay the loans especially with the potential for increased interest rates. However, at the 30 September the estimated premium charge to repay the three loans was minimal although rates and the premium change daily. 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 4.5%. If it is estimated that investment interest rates will be lower than this figure, then it may be beneficial to repay the loans.

## Investment Strategy

31. On 31 December 2023, the Authority held £31.195m 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 £49m and £26m. 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.
32. 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.
33. 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.
34. 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 5 Investment Counterparties

Counterparty	Cash limit	Rating / Time limit
Banks and other organisations and securities whose lowest published long-term credit rating from Fitch, Moody's and Standard & Poor's is:	£5m each	AAA / 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

35. 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.
36. 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 6 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

37. 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.
38. 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.
39. 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.
40. Currently, all of the Authority's investments are with other local authorities.
41. The Authority currently has access to a call (instant access) account with a local authority, which pays bank base rate, this is currently 5.25%. Each working day

the balance on the Authority's current account is invested to ensure that the interest received on surplus balances is maximised.

42. 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 2024/25.

Table 7 Current Investments

Start Date	End Date	Principal	Rate	Interest 2024/25
17/10/2023	15/10/2024	£5,000,000	5.55%	£150,534
20/11/2023	18/11/2024	£5,000,000	5.85%	£185,918
12/12/2023	12/09/2024	£5,000,000	5.60%	£126,575
14/12/2023	12/12/2024	£3,500,000	5.05%	£123,967
24/02/2024	21/02/2025	£5,000,000	5.55%	£245,616

43. 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 indicated:

Table 8 Indicative Interest Rates on Investments with other Local Authorities

3-month investment	5.43 – 5.63%
6-month investment	5.40 – 5.60%
12-month investment	5.36 – 5.56%
3-year investment	4.33 - 4.53%
4-year investment	4.15 - 4.35%

The overall combined amount of interest earned on Fixed/Call balances as at 31 December 2023 is £1.173m on an average balance of £36.151m at an annualised rate of 4.31%. This is less than the benchmark 7-day London Interbank Bid Rate (LIBID) rate which averages a yield of 4.89% over the same period.

44. 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)**

45. 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).
46. The Authority will assess their MRP for 2024/25 in accordance with guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003.

47. The Authority made a voluntary MRP in 2019/20 and it is anticipated that the MRP on loans will be nil in 2024/25 this will be the case until capital expenditure is financed by borrowing.
48. Whilst the Authority has no unsupported borrowing, nor has any plans to take out any unsupported borrowing in 2024/25 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.
49. 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.
50. 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

51. 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 is:

Table 9 Capital Financing Charges Included in Revenue Budget

	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m
Interest payable	0.090	0.090	0.398	1.170
MRP	0.000	0.000	0.000	0.123
Interest receivable	(1.300)	(1.050)	(0.650)	(0.650)
Net budget	(1.210)	(0.960)	(0.252)	(0.643)

### Prudential Indicators for 2023/24 to 2026/27 in respect of the Combined Fire Authority's Treasury Management Activities.

52. 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.

53. 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.
54. 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 changing 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

	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m
<b>1. Adoption of the Revised CIPFA Code of Practice on Treasury Management (2011)</b>				
		Adopted for all years		
<b>2. Authorised limit for external debt - A prudent estimate of external debt, which includes sufficient headroom for unusual cash movements.</b>				
Borrowing	4.000	4.000	15.000	30.000
Other long-term liabilities	30.000	30.000	30.000	30.000
<b>TOTAL</b>	<b>34.000</b>	<b>34.000</b>	<b>45.000</b>	<b>60.000</b>
<b>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.</b>				
Borrowing	3.000	3.000	10.000	25.000
Other long-term liabilities	16.000	16.000	15.000	15.000
<b>TOTAL</b>	<b>19.000</b>	<b>19.000</b>	<b>25.000</b>	<b>43.000</b>

	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m
<b>4. Upper limit for fixed interest rate exposure</b>				
Upper limit of borrowing at fixed rates	100%	100%	100%	100%
Upper limit of investments at fixed rates	100%	100%	100%	100%
<b>5. Upper limit for variable rate exposure</b>				
Upper limit of borrowing at variable rates	50%	50%	50%	50%
Upper limit of investments at variable rates	100%	100%	100%	100%
<b>6. Upper limit for total principal sums invested for over 364 days (per maturity date)</b>	25.000	25.000	25.000	25.000
<b>7. Maturity structure of Debt</b>	<b>Upper Limit %</b>	<b>Lower Limit %</b>		
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	-		

#### 8. Estimated Capital Expenditure

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget
	£m	£m	£m	£m
Capital Expenditure	1.635	7.598	10.196	20.259

#### 9. Proportion of Financing Costs to Net Revenue Stream

	2022/23 actual	2023/24 budget	2024/25 budget	2025/26 budget
Financing costs (£m)	-0.747	-1.210	-0.960	-0.252
Proportion of net revenue stream	-1.18%	-1.77%	-1.28%	-0.33%

## **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.



## Lancashire Combined Fire Authority

Meeting to be held on 19 February 2024

### Member Champion Activity Report

Contact for further information – ACFO Jon Charters  
Tel: 01772 866802

#### **Executive Summary**

This paper provides a report on the work of the Member Champions for the period up to 18 February 2024.

#### **Recommendation(s)**

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 John Singleton
- 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**

Throughout this year's Brightsparx period, Lancashire Fire and Rescue Service (LFRS) have participated in education sessions on Awaz Radio Station (Pendle Community Radio), delivering sessions from 13 October – 3 November. The delivery team discussed firework safety and provided important advice on staying safe and keeping out of trouble during the bonfire season. The identification of specific areas, including Daneshouse and Queensgate in Burnley, and Audley and Bastwell in Blackburn, where attacks on firefighters were prevalent, allowed for targeted and relevant discussions to take place. The team's openness about the attacks on firefighters during the bonfire period, and the incidents that had occurred over the last two years garnered strong reactions from the listeners. Evaluation of the Brightsparx campaign, indicate that there were no attacks on firefighters during bonfire night, which is a positive outcome. The radio show's contribution to raising awareness, fostering community support, and preventing incidents was evident, and is something we will continue to build on.

Staff in Eastern, Pennine and Southern area, monitored the construction of bonfires and liaised with local authorities to remove those deemed illegal or dangerous. This has been a success and has seen a reduction in the associated Anti-Social Behaviour (ASB) and recorded secondary fires within East and West Lancashire.

In South Ribble, Community Fire Safety (CFS) staff ran a Brightspax poster competition. This was with South Ribble Primary Schools asking pupils to create a Firework / Bonfire safety poster. South Ribble Council donated an iPad and tickets to the Worden Park bonfire as prizes. Judging involved LFRS staff and South Ribble Councillors, and the final presentation took place at Leyland Fire Station.

Pennine area staff continued to work with partners to reduce ASB/fires in December by completing visual audits and removing fly tipping waste. LFRS also received several referrals for Fire Intervention Response Education Scheme (FIRES) from Lancashire Constabulary, Rossendale Borough Council and Whitworth High School.

Western area has continued to support Weeton army barracks and the 55 refugee families who had been relocated to the UK. The CFS team worked alongside the barracks personnel, family liaison officer, Salvation Army, and Weeton Primary School to engage with the refugee families and offer further support. Initiatives included presentations covering Ramadan safety (loose clothing & cooking), Lancashire Refugee (Service user) and 2-minute bedroom fire video. LFRS delivered a presentation and distributed literature translated into Pushto and Farsi. Additional to this, LFRS staff and members of the community distributed 30 Qurans, prayer mats and modest clothing to the families. Engagement continues with the barracks, offering ongoing support to the refugees' families.

Western CFS team/Operational staff supported the Salvation Army in their Christmas appeal. The aim of the appeal was to provide children with a gift at Christmas. The Salvation Army received over 2500 referrals for children across the area. Western CFS supported by storing and distributing presents to local children. CFS were able to offer signposting support, along with Home Fire Safety Checks (HFSCs) for vulnerable families. This initiative has certainly strengthened relations especially with the refugee families and has allowed us to provide presents and vital fire safety information.

LFRS identified an increase in Unwanted Fire Signals (UWFS) within the residential accommodation at Royal Preston Hospital. Central CFS have carried out some great partnership/community work and education to reduce the number of these incidents.

### **Equality, Diversity & Inclusion – County Councillor Zamir Khan**

The activity which LFRS continues to contribute to in relation to EDI remains broad and varied.

Colleagues from the Service presented a Master Class for Senior Leaders within Fire and Rescue Services on the menopause.

Members of the Race and Religion Group attended the Windrush Centre and attended a workshop development event on the black experience; this will be used to influence the development of the Services EDI action plan.

Members of the Disability Group are working on the development of an accessibility booklet in relation to the estate, so that information is available in relation to the accessibility of our buildings.

Numerous activities across Lancashire have taken place within the Districts in relation to supporting refugees to be safe, including an event organised by the Princes Trust at Stanley Park which identified 100 young people who were not currently in full-time education or training, and at other key locations where refugee communities have recently settled, offering advice on enjoying a safe day out on the coast, water safety messages, using barbeques safely and Ramadan Safety.

## **Health, Wellbeing & Climate Change – County Councillor John Singleton**

### **Climate Change and Environment**

As mentioned in the last update, we held a Climate Fresk workshop at Service Headquarters in November, with a facilitator from 'With Many Roots'. The session was well attended by Environmental Champions and representatives from HR, Property Department, ICT, Comms and Service Improvement. Feedback was excellent both in person and in the days and weeks following the workshop via the online questionnaire.

Some excerpts from the comments:

- I've already told many colleagues how excellent it was.
- This would be useful for all colleagues, but it was interesting to note the most senior operational member on the course was a crew manager.
- More people need to understand this - especially those with a view to change things.
- I think it is an awareness that everyone needs to have and understand.
- I think the training maybe useful out on station and to higher ranking officers.

We are currently seeking volunteers to attend a second course which will be held on 22 March 2024. The workshop objectives include:

- Having a clearer understanding of the cause and effect of the climate science.
- Having a visual overview of the interconnectedness of the concepts.
- Exploring how you feel about the climate crisis and what actions you might take.
- Testing your own knowledge and assumptions.
- A powerful shared experience your group/team can relate to.

### **Health and Wellbeing**

In November, colleagues came together to record a podcast to coincide with International Men's Day. In Episode 4 of LFRS's podcast; Out of the Ashes, we focussed on men's mental health and the importance of reaching out for support if you or someone you know is struggling. The podcast can be accessed at:

[https://outoftheashesstoriesfromlancashire\\_lfrs.buzzsprout.com/](https://outoftheashesstoriesfromlancashire_lfrs.buzzsprout.com/)

November also saw the launch of Responding to Trauma and Emotions (RTE). A programme for new members of staff that has been developed in collaboration with The Firefighters Charity. RTE replaces the MIND Distress Management and Self-Care with

a more relevant course, in terms of including suicide awareness for individuals as well as dealing with suicide as a responder. The first two courses in November were for non-operational members of staff, followed by an operationally focused course in December. This is a 12-month pilot after which a full evaluation will be completed.

Finally for this update, to encourage good support networks, we have a quiz each quarter at Service Headquarters. In December this coincided with Christmas Jumper Day and our Health & Wellbeing CFA Champion was there to judge 'Best Christmas Jumper'. Involvement from all staff was fantastic and we had a full turn out, making the competition quite difficult to judge. In the end there were two winners, as well as a winning team for the quiz. The next quiz is scheduled for Easter.



## Road Safety – County Councillor Ron Woollam

Road Sense is a Year 6 Road Safety Education Package delivered by LFRS and offered to all primary schools in Lancashire. 6,500 pupils have received the package, so we are on track to deliver to all schools by end of the summer term. Feedback from teachers remains very positive, please see example below:

*“Children were engaged due to a fun delivery of serious content.”*

The QR code which allows the children to feedback following the delivery of a Road Sense session continues to be completed. All the responses in the free text box have been positive and nearly 100% of respondents answer all the questions correctly.

Biker Down course dates have just been released for February. Planning has started to ensure engagement takes place on the run up to the Easter weekend – the start of the biking season. A letter of thanks was received from Bowker BMW following delivery of a session:

*“I just wanted to say a big thank you to you and the team for last night. It's been fantastic to work with you all again this year, as the feedback and engagement from attendees is always inspirational to us as a company.”*

The pre and post questionnaire maintains very positive feedback about the session. One of the questions the attendees are asked is around their confidence to remove a motorcycle helmet following a road traffic collision. The scale they use is 1-5 (1 not confident – 5 very confident). Prior to the session the average rating is 2.4 but increases to 4.7 following the session. We also ask for free text feedback:

*“Very informative! Will definitely tell others to come along! Thank you!”*

Wasted Lives the pre and new driver education package is seeing an increase in bookings with around 2000 students from Blackpool and Fylde College receiving the input on the run up to the Christmas break. The college did a short evaluation of the

delivery and 95% of students reported it had raised their awareness of not driving safely. They also provided some positive free text feedback:

*“It got me to learn what not to do and what to do to drive safely. the presentation was great and the activity was good as I got to communicate on my opinions.”*

Road Safety week was a very busy week of delivery across Lancashire. Both Community Safety Advisors and Operational Fire Crews were involved in organising and attending events as well as delivering Road Safety Education. One of the events that took place in Lancaster continued to focus on Tyre Safety following on from the internal campaign in October. 44% of cars that were checked were found to have 2 or more borderline or illegal tyres. This highlighted the need for this type of event and was well received by members of the public.



### **Business risk**

Whilst no formal obligation is placed on the Authority to have Champions, effective utilisation of such roles offers a number of benefits.

### **Sustainability or 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.

### **Data Protection (GDPR)**

Will the proposal(s) involve the processing of personal data? N

If the answer is yes, please contact a member of the Democratic Services Team to assist with the appropriate exemption clause for confidential consideration under part 2 of the agenda.

**HR implications**

Some Member and Officer time commitments.

**Financial implications**

Activities are within budget.

**Legal implications**

None identified.

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

Paper:

Date:

Contact: ACFO Jon Charters

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

## Lancashire Combined Fire Authority

Meeting to be held on 19 February 2024

### Fire Protection Report

Contact for further information: Deputy Chief Fire Officer Steve Healey  
Tel: 01772 866801

#### 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 whilst developing our workforce, 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

Fire Safety Teams are currently managing fourteen live case files for offences under the Regulatory Reform (Fire Safety) Order 2005.

Of these, four cases are in the Judicial system with one set for trial on 1 July 2024, one was due for sentencing on 2 January 2024, however, has been adjourned awaiting a new date, one is due for plea hearing on 9 February 2024, and one is due for plea hearing on 21 February 2024.

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:

- Care & Nursing Home x 2
- House in Multiple Occupation used as Student Accommodation x 1
- Mixed commercial and Residential (Takeaway with sleeping above) x 2
- Residential Flats x 2
- Commercial car repair garage x 1
- Nightclub x 1
- Hospital x 1

LFRS Protection department is also supporting a joint enforcement case with a local authority, Health and Safety Executive and Lancashire Constabulary regarding a complex converted mill.

## **FIRE PROTECTION & BUSINESS SUPPORT INFORMATION**

### **Business Fire Safety Checks (BFSC)**

The BFSC continues to deliver interventions by wholetime watches across Lancashire and has delivered 2517 during the 23/24 performance year to end December 2023.

Around 349 have led to unsatisfactory outcomes and been triaged by Fire Protection teams during this period, with both informal and formal enforcement taken.

### **Legislation Changes Update**

LFRS continues to embed legislative changes coming about from 1 October 2023 amendments of the Regulatory Reform (Fire Safety) Order 2005, which have been introduced under Section 156 of the Building Safety Act 2022. These amendments require that all responsible persons must now record the fire risk assessment in full (including all the findings) along with the fire safety arrangements for premises in all circumstances.

In October 2023, the new Building Safety Regulator (BSR), a new regulatory body within the Health and Safety Executive, came into effect. The focus of the regulator is high-risk residential buildings, those being:

- at least 7 floors or at least 18 metres in height
- at least 2 residential units
- care homes and hospitals during their design and construction phases.

As a statutory partner of the new BSR, LFRS has appointed a dedicated BSR Fire Safety officer who will work as part of a north-west regional BSR team, comprising a Regional BSR Manager, 2 Fire Safety Engineers and 7 Fire Safety inspecting Officers.

## **ARSON RISK REDUCTION**

### **R v Simon DARLINGTON**

Clifford Street, Chorley, PR7 1SE  
Date and Time of call – 11/12/2022, 02:51

This incident involved a fire at the bottom of the stairwell of a first floor flat situated above a retail unit with adjoining residential property at either side.

The fire caused damage to a wooden cabinet and loose timber at the bottom of the stairs and severe smoke damage to the stairwell. The remainder of the flat suffered minor smoke damage and smoke also penetrated the occupied adjoining flat, actuating their smoke alarm.

Following a guilty plea to 'Arson with recklessness', the defendant who was also the occupier, was sentenced to 32 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.

**Sustainability or Environmental Impact**

None

**Equality and Diversity Implications**

None

**Data Protection (GDPR)**

Will the proposal(s) involve the processing of personal data?

No

**HR implications**

None

**Financial implications**

None

**Legal implications**

Failure of Responsible Persons to meet new legislative requirements placed upon them, may result in LFRS undertaking additional prosecution cases in future.

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

Paper:

Date:

Contact:

Reason for inclusion in Part 2 if appropriate: Insert Exemption Clause

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## Lancashire Combined Fire Authority

Meeting to be held on 19 February 2024

### Operational Incidents of Interest

Contact for further information – Assistant Chief Fire Officer Jon Charters  
Tel: 01772 866802

#### Executive Summary

This report provides Members with information relating to operational incidents of interest since the last report to the Authority.

#### Recommendation(s)

The Authority is asked to note the report.

#### Information

This report provides Members with information relating to operational incidents of interest. This has been a busy operational period, therefore the report details only the larger deployments or more complex incidents attended. As a result, some incidents that Members have been made aware of locally, may not form part of the report.

The following summarises the incidents with further detail provided within the body of the paper:

- Waste fire within former power station in Lancaster
- Fatal road traffic collision in Down Holland
- Person rescued from Blackpool building fire
- Explosion involving domestic properties in Blackburn
- Road traffic collision with car on fire in Lytham
- Male trapped under wagon in Altham
- Firefighters rescue casualties from Blackpool domestic building fire

<b>LFRS station area:</b>	<b>Lancaster</b>
<b>Date:</b>	<b>3 December 2023</b>
<b>Time:</b>	<b>05:31</b>

Ten fire engines from Lancashire and Cumbria were called to a commercial building fire on Port Royal Avenue, Lancaster. The fire involved a large former power station containing 1000s of tonnes of commercial waste. Firefighters used a number of specialist resources, including a high-volume pump, hazardous materials unit, hose layer, aerial ladder platforms and water towers. Smoke could be seen from across the city, so residents were advised to keep out of the smoke plume and keep windows and doors shut if they could see or smell smoke.

This incident followed extensive multi-agency pre-planning, dating back 2 years, where Lancashire Fire and Rescue Service (LFRS) led tabletop exercises and created a joint

response plan with LCC, Lancaster City Council, United Utilities, Environment Agency, and Lancashire Constabulary. As a result of this work, LFRS were able to call on resources quickly and establish sustainable water supplies from pre-planned locations.

LFRS had a continuous attendance at the site for several weeks, whilst demolition work took place and smouldering waste was removed. Fire crews have continued to attend the site periodically thereafter, as waste removal continued.

The cause of the fire was believed to be deliberate, with arrests being made in December.

<b>LFRS station area:</b>	<b>Ormskirk</b>
<b>Date:</b>	<b>15 December 2023</b>
<b>Time:</b>	<b>21:51</b>

Fire engines from Ormskirk and Merseyside were called to reports of a road traffic collision on Rosemary Lane, Down Holland. On arrival, crews noted a car had left the road and hit trees, before coming to a stop in a farmer's field. One passenger had self-extricated, but the driver was not conscious or breathing. Fire crews administered CPR and used a defibrillator. Unfortunately, the driver was declared deceased at the scene. Fire crews were in attendance for approximately 2 hours.

<b>LFRS station area:</b>	<b>Bispham</b>
<b>Date:</b>	<b>17 December 2023</b>
<b>Time:</b>	<b>08:33</b>

Three fire engines from Blackpool, Fleetwood and Bispham were sent to a domestic bungalow fire on Loxley Place in Blackpool. On arrival neighbours confirmed there was somebody in the property and crews could hear calls for help from inside. Six firefighters wearing breathing apparatus entered the property to search for the casualty and to extinguish the fire. A casualty was rescued from the living room, where it was believed the fire had started. The casualty had received burns and was airlifted to Wythenshawe Burns Unit. A dog was also rescued at the incident.

The cause of the fire is believed to have been accidental, involving an electric heater. Fire crews were in attendance for approximately 4 hours.

<b>LFRS station area:</b>	<b>Blackburn</b>
<b>Date:</b>	<b>17 December 2023</b>
<b>Time:</b>	<b>19:40</b>

Three fire engines from Blackburn and Hyndburn, the aerial ladder platform from Hyndburn, and the Urban Search and Rescue teams from Bamber Bridge and Chorley attended reports of a gas explosion on London Road, Blackburn. The incident involved a domestic mid-terraced property.

One casualty was confirmed trapped on the upper floor but was conscious and breathing. Urban Search and Rescue (USAR) operatives from LFRS entered the

building to locate the trapped person. The LFRS drone was used to make a positive identification. The USAR team located the male, who was trapped between the upper and ground floor, surrounded by masonry. The USAR team used hand tools and assisted by Ambulance Service 'Hazard Area Response Teams', got the casualty onto a stretcher and safely extricated them from the property.

The house was destroyed by the blast, with several other properties receiving severe damage. Fire crews were in attendance for approximately 24 hours, assisting other agencies with the investigation and making the buildings safe.

The cause of the blast is believed to have stemmed from internal gas installations.

<b>LFRS station area:</b>	<b>St Annes</b>
<b>Date:</b>	<b>23 December 2023</b>
<b>Time:</b>	<b>02:35</b>

Four fire engines from St Annes, South Shore, Lytham, and Blackpool were called to a road traffic collision on Heyhouses Lane. On arrival a McClaren supercar had crashed at speed and came to a halt against 2 houses. The car burst into flames, and fire spread to both houses. All occupants of the vehicle were out of the car on arrival of the fire service.

Firefighters wearing breathing apparatus tackled the fire with firefighting water jets. Three casualties were involved, 2 from the vehicle and one bystander, who was injured whilst assisting the occupants from the car. All casualties were handed over to the care of the ambulance service.

Fire crews were in attendance for approximately 3 hours, making the vehicle and buildings safe.

<b>LFRS station area:</b>	<b>Hyndburn</b>
<b>Date:</b>	<b>6 January 2024</b>
<b>Time:</b>	<b>15:05</b>

Fire engines from Hyndburn and Padiham, along with Urban Search and Rescue from Chorley and Bamber Bridge, were mobilised to a report of a person trapped following an industrial accident. The incident was on Moorfield Industrial Estate in Altham and involved a male trapped under a heavy goods vehicle, which had fallen on its side against another truck, during a lifting manoeuvre.

The incident was also attended by police, ambulance, and air ambulance. A brief time after arrival, the casualty was declared deceased, and an investigation was conducted between police and the Health and Safety Executive. USAR staff assisted with making the scene safe and body recovery once investigations had completed. USAR crews were on scene for approximately 7 hours.

<b>LFRS station area:</b>	<b>Blackpool</b>
<b>Date:</b>	<b>22 January 2024</b>
<b>Time:</b>	<b>01:52</b>

Three fire engines from Blackpool and Bispham were called to Whittaker Avenue, Blackpool, where it was believed people were trapped within a mid-terraced domestic property.

On arrival the ground floor of the property was on fire. Two adults had jumped from an upper floor and were on the ground with injuries caused by the fall. It became apparent that a baby and several dogs were still inside the property.

Firefighters wearing breathing apparatus entered the property to rescue the casualty and extinguish the fire. One baby and 3 dogs were rescued from the house. The baby was taken to Alder Hey Children's Hospital for treatment.

Firefighters were on scene for approximately 3 hours, damping down and conducting a fire investigation. The cause of the fire is believed to have been accidental.

### **Business risk**

None

### **Sustainability or Environmental Impact**

Potential impact on local environment in relation to operational incidents. Significant incidents benefit from the attendance of specialist water towers (stingers) and the hazardous materials unit both of which have positive impacts on firefighting operations and reduce environmental impacts.

### **Equality and Diversity Implications**

None

### **Data Protection (GDPR)**

Will the proposal(s) involve the processing of personal data? No

If the answer is yes, please contact a member of the Democratic Services Team to assist with the appropriate exemption clause for confidential consideration under part 2 of the agenda.

### **HR implications**

None

### **Financial implications**

None

### **Legal implications**

None

## **Local Government (Access to Information) Act 1985**

### **List of background papers**

Paper:

Date:

Contact:

Reason for inclusion in Part 2 if appropriate: Insert Exemption Clause

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