

Public Document Pack

Lancashire Combined Fire Authority Resources Committee

Wednesday, 29 November 2023 in Main Conference Room, Service Headquarters, Fulwood commencing at 10.00 am.

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

Agenda

Part 1 (open to press and public)

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

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

1. **Apologies for Absence**
2. **Disclosure of Pecuniary and Non-Pecuniary Interests**

Members are asked to consider any pecuniary and non-pecuniary interests they may have to disclose to the meeting in relation to matters under consideration on the agenda.
3. **Minutes of the Previous Meeting (Pages 1 - 12)**
4. **Financial Monitoring (Pages 13 - 18)**
5. **Treasury Management Mid-Year Report 2023/24 (Pages 19 - 24)**
6. **Fleet Asset Management Plan 2023 - 2027 (Pages 25 - 46)**
7. **Property Asset Management Plan (Pages 47 - 66)**
8. **Date and Time of Next Meeting**

The next scheduled meeting of the Committee has been agreed for 10:00 hours on **27 March 2024** in the Main Conference Room, at Lancashire Fire & Rescue Service Headquarters, Fulwood.

Further meetings are: scheduled for 3 July 2024 and 25 September 2024
proposed for 27 November 2024

9. **Urgent Business**

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

10. **Exclusion of Press and Public**

The Committee is asked to consider whether, under Section 100A(4) of the Local Government Act 1972, they consider that the public should be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph of Part 1 of Schedule 12A to the Local Government Act 1972, indicated under the heading to the item.

PART 2

11. **Pensions Update (Pages 67 - 70)**

(Paragraphs 4 and 5)

12. **Internal Dispute Resolutions Procedure - Stage 2 (Pages 71 - 84)**

(Paragraphs 1, 4 and 5)

13. **High Value Procurement Projects (Pages 85 - 100)**

(Paragraph 3)

14. **Urgent Business (Part 2)**

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

Lancashire Combined Fire Authority Resources Committee

Wednesday, 27 September 2023, at 10.00 am in the Main Conference Room, Service Headquarters, Fulwood.

Minutes

Present:	
Councillors	
R Woollam (Chair)	
D O'Toole (Vice-Chair)	
P Britcliffe	
H Khan (Substitute)	
J Mein	
M Pattison	
S Serridge	
B Yates	

Officers
S Healey, Deputy Chief Fire Officer (LFRS) S Brown, Director of Corporate Services (LFRS) B Warren, Director of People and Development (LFRS) E Sandiford, Head of Human Resources (LFRS) J Meadows, Head of Finance (LFRS) D Brooks, Principal Member Services Officer (LFRS)

13/23	Apologies for Absence
	The Chair welcomed County Councillor Peter Britcliffe to his first meeting of the Resources Committee. Apologies were received from County Councillors L Beavers and T Hurn and Councillor Baker.
14/23	Disclosure of Pecuniary and Non-Pecuniary Interests
	None received.
15/23	Minutes of the Previous Meeting
	Resolved: That the Minutes of the last meeting held on 12 July 2023 be confirmed as a correct record and signed by the Chair.

The Assistant Director / Head of Human Resources presented the report. As a public body there was a requirement to publish information which demonstrated compliance with the Equality Duty created under the Equality Act 2010. In the exercise of functions there was a requirement to: i) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act; ii) advance equality of opportunity between people who shared a protected characteristic and those who did not; and iii) foster good relations between people who shared a protected characteristic and those who did not.

Regulations enabled by the Equality Act required public authorities to publish their equality objectives and information to demonstrate their compliance with the Equality Duty. The Annual Equality, Diversity and Inclusion report was one of the ways in which the Service demonstrated this compliance.

Members considered the report (attached at appendix 1 now presented) which demonstrated performance in terms of meeting legal duties for the period 2022/23 and setting out plans for 2023/24. It was noted that this was part of a suite of delivery plans that supported the delivery of the People Strategy (which detailed areas of focus in terms of improved accessibility, training and development, recruitment and selection, engagement, consultation, performance management and in the development of policies and strategies).

Since last year, several cultural reviews in other Services had prompted His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) to encourage Services to deliver on a number of tasks and to report on a number of areas; the Equality Diversity and Inclusion Steering Group also monitored progress in relation to these activities.

The report detailed some of the actions the Service was undertaking in response to HMICFRS March 2023 Values and Culture report recommendations and the subsequent National Fire Chiefs Council (NFCC) recommendations which related to: i) how members of staff could raise concerns; ii) appropriate background checks; iii) misconduct handling; iv) training and development; and v) the implementation of the Core Code of Ethics.

Core Code of Ethics

The code identified five primary ethical principles which reflected best practice principles and had been designed to underpin the way we serve our communities, carry out our role, and work together:

- i) Putting our communities first (putting the interest of the public, the community and service users first);
- ii) Integrity (acting with integrity including being open, honest and consistent in everything we do);
- iii) Dignity and respect (making decisions objectively based on evidence, without discrimination or bias);
- iv) Leadership (we are all positive role models, always demonstrating flexibility

- and resilient leadership. We are all accountable for everything we do and challenge all behaviour that falls short of the highest standards); and,
- v) Equality, Diversity and Inclusion (EDI), (continually recognising and promoting the value of EDI both within the LFRS and the wider communities in which we serve. We stand against all forms of discrimination, create equal opportunities, promote equality, foster good relations and celebrate difference).

All employees and those working with or on behalf of the Service were required to behave in accordance with the Service values and to follow the Core Code.

Equality Objectives

Further to the review of risks within the communities of Lancashire, the Service had developed the following equality objectives in supporting:

Our Communities:

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

Our Workforce:

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

Protected Characteristics (or protected groups)

LFRS aimed to ensure that no one received less favourable treatment for reasons relating to all recognised protected characteristics covered by the Equality Act 2010.

Equality Impact Assessment (EIA) - Equality Analysis

Equality analysis within an Equality Impact Assessment (EIA) was an effective tool to demonstrate how the Service was meeting its legal requirements under the public sector equality duty, identifying the impact of policies and decisions on staff and communities ensuring that the impact was fully understood, and any negative impact was mitigated. EIAs were completed where there was an impact on people, or the community. The Service complied with the NFCC equality impact assessment tool kit. The Service had strengthened its approach to EIA, by incorporating an element of quality assurance to provide more scrutiny. Further to the review of fire cover delivered during 2022 an external company was utilised to undertake the EIA, this ensured that the EIA was robust and independent. The assessment process was also used as a learning opportunity for staff in undertaking equality analysis. Comprehensive training had previously been undertaken in relation to the completion of an EIA and this continued to be part of

the middle manager development programme. A peer review was planned as part of the external audit for 2023.

Commissioning and Procuring Services

LFRS would ensure that any partnership it was involved in operated in line with equality principles and associated equality duties. All contracts were required to agree to LFRS terms and conditions, which would include relevant clauses in relation to equalities. Additional scrutiny was incorporated within the procurement process where it was considered appropriate. For each procurement project, the lead stakeholder was responsible for completing an equality impact initial screen and subsequent assessment where required.

Where an assessment was required and undertaken, the internal customer / lead stakeholder must ensure this was done pre-procurement and any required changes made to their specification / requirements before any exercise progressed. The Head of Property was part of the NFCC National Fire Estates Group and one of its priorities was to support the development of dignified facilities / EDI standards and improvements.

Workforce Profile

Members considered annex A to the report which demonstrated the workforce equality profile as of 31 March 2023² in relation to all protected groups (apart from gender reassignment due to the sensitive confidential nature of the data).

Information was provided across:

- i) workforce demographics for the Service – demonstrated there had been a slight increase in the number of women employed (from 18% to 18.9%), a slight reduction in the number of people who were BME (from 3.7% to 3.2%), a slight reduction in the number of people employed who declared a disability (from 2.8% to 2.6%) and an increase in the number of people who identified as LGBT+ (from 3% to 3.7%);
- ii) prevention and protection (business fire safety staff, district community safety staff and headquarters prevention staff and Prince's Trust green book staff) – showed that diversity within prevention and protection was more positive. Although there had been a slight reduction in the number of women and people who were BME in the Prince's Trust, there had been an increase in men which had increased the diversity of the department;
- iii) response grey book operational staff - Wholetime firefighters including apprentices (there had been an increase in women employed and a slight reduction in the number of people who were BME and a slight reduction in the numbers of people who declared a disability), On-call (there had been a slight reduction in the number of women employed, the number of people who were BME continued to fluctuate slightly and there had been a slight increase in the number of people who declared a disability);
- iv) female firefighter operational staff – the total number of women had increased from 86 to 91 and female supervisory managers had increased from 21 to 23;
- v) business support green book staff – while the number of BME staff was increasing there was a slight reduction the previous year. The number of women

within support services was high and remained fairly static;

vi) turnover – there was a slight reduction in the number of women leaving the Service, there had been a slight increase in the number of people who declared a disability and who were BME; and

vii) age profile – there had been an increase in the total number of people employed aged under 34 years and 35-39 years and a reduction in the number of people aged 45 – 55 years. Within the on-call service the numbers of people progressing from the under 34 category was reflective of those who had moved into the aged 35-39 category.

Annex B to the report provided an analysis of recruitment which showed increased applications from underrepresented groups (female applicants had increased by 16% and BME applicants had increased by 30% when compared with a 28% increase the previous year, making over 12% of all applicants and there was 1 more disabled applicant, a rise of 1% of total applications). There was an increase of 26 more applicants from the LGBTQ+ community, an increase of 21% from the previous year. These figures showed that LFRS continued to make progress in becoming an employer of choice for under-represented groups. The report also showed the Service becoming more diverse from appointments made. 25% of new employees were women (an increase of 6% from the previous year); those employed from BME groups comprised 8% (an increase of 3.5%), with 5% coming from LGBTQ+ groups and 5% declaring themselves as having a disability.

Monitoring equality and diversity in the workforce enabled the Service to identify how employment policies were working and to identify areas where these may appear to be working disproportionately on certain groups of staff. It was noted that with effect from 2022, the Service reported on its workforce as part of its performance reporting arrangements

Detail of progress in relation to EDI was summarised in the completed action plan for 2022-23 as set out in annex D with the new Action Plan for 2023-24 considered at annex E.

Other areas of focus relating to EDI

The Head of Human Resources also highlighted that the report included broad activity undertaken (set out in section 7 of the report, pages 22 and 23 of the agenda pack). This included engagement through the corporate communications department who provided information in a variety of formats using multiple channels to best reach Lancashire's diverse communities. The department supported positive action campaigns, prevention and protection activity (through targeted campaigns), national campaigns and special events (ie: PRIDE events). Information was published in 26 other languages; videos were produced with subtitles and British Sign Language was used in fire safety videos. Guidance was provided and delivered to social media users on how to create accessible content. The department also applied measures from the Dyslexia Association Style Guide in both internal and external material to consider the visual stress experienced by some dyslexic people and to facilitate ease of reading.

Values and Culture

A review of the London Fire Brigade had identified several key areas of failing which contributed to its poor organisational culture. Further to the review several Services identified similar issues relating to misogyny, racism, and bullying. In response the HMICFRS produced a series of recommendations which Services were expected to report progress. LFRS had adopted all the recommendations and these were in the process of being implemented. The national Code of Ethics had been immediately adopted when it was launched and the Deputy Chief Fire Officer had been confirmed as the senior officer responsible. It was noted that development sessions had been delivered 407 employees and these would continue to be progressed.

In response to changes in the Rehabilitation of Offenders Act the Service was now undertaking standard DBS checks for new grey book firefighters and existing firefighters, checks would also be rolled out to some categories of support staff, including community safety advisors.

Detail in relation to disciplinary, grievances and recruitment and selection was also included in the EDI Annual Report. It was noted that this was being provided to the Equality Diversity and Inclusion Steering Group thereby providing greater scrutiny and to ensure there was no negative impact on a particular minority group in terms of recruitment, progression and the application of the Services policy and processes.

Gender Pay Gap Information

On the snapshot date, 31 March 2023, LFRS employed 1313 people with a significantly higher proportion of men than women. The Service had a far larger volume of operational roles and currently those roles have traditionally been more commonly occupied by men, where turnover was low. However, women made up the larger proportion of staff in support roles.

The mean (average) Gender Pay Gap was calculated by adding together the hourly pay rates of all female employees and dividing by the total number of females to create a mean (average). This calculation was repeated for men and the difference in the two figures identified the Gender Pay Gap. Using this calculation methodology across LFRS, the mean Gender Pay Gap was significantly different than the national average which was 12.74% in favour of women who on average earned on average £1.76 per hour more than men.

To calculate the median Gender Pay Gap all women's earnings were ranked and all men's earnings were ranked, by their hourly pay, to establish the middle of the female pay range compared to the middle of the male pay range. The difference between the two was the median pay gap. The median Gender Pay Gap at LFRS equated to 6.38%. This meant that men on average earned £1.00 more than women. The inclusion of On-Call and dual contracted staff who were primarily male significantly skewed the mean and the median Gender Pay Gap on the basis of the way their earnings were accrued, resulting in a large number of men with lower earnings at the bottom of the ranking which accounted for the results.

An analysis of the quartile distribution by occupational group demonstrated that 84% of the employees in the lower quartile were On-Call staff. This group of staff equated to 21% of the employee population.

Most female part time support staff were found in the lower-middle quartile, with fewer in the upper middle and upper quartiles.

The proportion of women in the upper-middle and upper quartile was representative of the overall proportion of women within the LFRS workforce. The upper-middle quartile was predominantly male, but this was where most members of staff were undertaking the role of Firefighter. A high proportion of men undertook the role of Firefighter, so it was therefore unsurprising that this quartile was male dominated.

A high proportion of male employees employed on the National Joint Council (NJC) for Local Authority Fire and Rescue Service terms and conditions (known commonly as the 'Grey Book'), attracted additional allowances that were not available to staff conditioned to the NJC for Local Government Service ('Green Book') support staff, the majority of which were female. These additional allowances increased Grey Book average earnings and moved this staff group to the lower middle quartile, as demonstrated in the report.

It was recognised that women were significantly under-represented in the operational workforce and consequently LFRS was committed to increasing the number of female firefighters. This formed an important part of LFRS's approach to EDI within the Service. LFRS was now undertaking positive action initiatives aimed at encouraging people from under-represented groups to apply for positions in the organisation. Recruitment activity was locally monitored (including the levels of attraction and appointment) to identify problem areas to drive forward improvements.

In response to a question raised by CC Pattison, the Deputy Chief Fire Officer advised that the DBS checks were funded by the Service.

CC O'Toole was pleased that the recruitment campaign in August 2022 attracted 577 valid applications and that applications from females and minority groups had increased.

In response to a question raised by CC H Khan regarding the availability of flexible working policies to attract more females into the Service, the Assistant Director / Head of Human Resources advised that last year the Service had invested in improving terms and conditions in relation to some policies which included: maternity pay provision, paternity pay, special leave and flexible working arrangements. It was also noted that it was powerful to have representatives within the Service from minority groups as role models. The Service had looked to introduce more flexible shifts as part of the Emergency Cover Review but this had not been supported by the FBU.

Colleagues leading positive action included firefighters and representatives from community fire safety. This positive action included visiting and talking to different community and faith groups and visiting sports clubs and schools to provide

information on the role of a firefighter, particularly the broader role however, this was resource intensive. CC Woollam was pleased with the targeted social media campaign to reach under-represented groups (as referenced on page 25 of the agenda pack) which had reached circa 1.2m people.

In response to a question raised by CC Mein regarding procedures for confidential concerns the Assistant Director / Head of HR advised that the anonymous reporting line 'Safe Call' had been launched in June and corporate communications colleagues had promoted this. Some reports had been received, although in small numbers, early indications were that they would not have been received through another route. This is reflective of the feedback given by Safecall.

Resolved: that the report be noted.

17/23

Financial Monitoring

The Director of Corporate Services advised that this report set out the current budget position in respect of the 2023/24 revenue and capital budgets.

Revenue Budget

Lancashire Fire and Rescue Service's 2023/24 revenue budget had been set at £68.493m. The budget profiled to the end of July 2023 was £22.017m. Expenditure to the end of July 2023 was £22.295m, an overspend on the year-to-date budget of £0.176m. The overspend position was broken down between pay and non-pay budgets; an underspend of £0.014m on pay and a £0.190m overspend on non-pay activities.

The year-to-date positions within individual departments were set out in the report with major variances of note being shown separately in the table below:

Area £'m	Overspend/ (Under spend)	Reason
Pay	(0.014)	<p>The year-to-date position was broadly breaking even albeit there were some variances within the position to date:</p> <ul style="list-style-type: none"> • The Service had met its legal responsibilities in relation to the Bear Fulton legal case regarding holiday pay. This had resulted in a payment of £0.285m for backdated costs, that had largely been accrued for in previous years, and ongoing costs of £0.011m per month resulting in year-to-date pressure of £0.057m. There was a forecast pressure of £0.140m that would need to be included in the 2024/25 budget. • The Emergency Cover Review (ECR)

		<p>approved by the Authority resulted in an overall increase of 8 Wholetime Firefighter across the Service and ongoing efficiency savings. There was currently an in-year shortfall of £0.200m against the savings profile due to timing delays but overall, the ECR was on target.</p> <ul style="list-style-type: none"> • Through improvement in the management of overtime arrangements the service had seen a significant reduction in overtime costs in the period to date that was offsetting the above pressures.
Fleet and technical Services - Non Pay	0.052	The year-to-date position was a small overspend broadly consistent with reporting in May 23; with higher vehicle insurance premiums that were experienced across the market and higher than budgeted fuel costs.
Apprenticeship Levy Funding – Non Pay	0.100	Total Apprenticeship Levy income for the year was forecast to be lower than budgeted resulting in an annual pressure of approximately £0.300m; due to a reduction in the number of recruits meeting the eligibility criteria for funding. On call fire fighters and recruits with significant prior learning did not attract levy funding. This might require an adjustment to the income budget for 2024/25 if this trend was expected to continue.
Training Centre Courses – Non Pay	0.070	The Training Centre Courses overspend was mainly due to associate trainers and external training course providers. This pressure was partly offset by vacancies however, the Service was putting in place arrangements to try to increase the number of internal trainers.

Service Delivery / Heads of Service Delivery – Non Pay	(0.047)	<p>There was a (£0.160m) underspend on National Non Domestic Rates (NNDR) due to rebates received for Eastern and Pennine stations resulting from surveyor revaluations.</p> <p>This saving was partly reduced by an overspend of £0.078m on protective equipment, including the roll out of wildfire kit and Urban Search And Rescue (USAR) kit.</p>
Fire Link Grant	0.025	<p>This Home Office grant which supported expenditure on data costs associated with using Airwave service radios was budgeted at (£0.200m). The Home Office had advised authorities that the grant was to decrease by 20% per annum, ending in 2026/27, resulting in a £0.025m year to date pressure, and full year pressure of £0.050m. This pressure would need to be included in the 2024/25 budget.</p>

Capital Budget

The Capital Programme for 2023/24 was £11.7m, after allowing for the year end slippage agreed at the last Resources Committee meeting. Spend to date was £2.5m predominantly on pumping appliances. The current year end forecasts had been reviewed and were currently anticipating an in year spend of £10.9m, leading to slippage of £0.9m. Details of capital projects are outlined in the table:

Area	Budgeted Items
Operational Vehicles Budget £5.991m Forecast £5.795m Slippage £0.301m	<p>The budget allowed for the remaining stage payments for 10 pumping appliances purchased in previous financial years.</p> <p>In addition, the budget allowed for the first stage payments of the 3 pumping appliances for the 2023/24 programme. It also included two climate change vehicles and three command units.</p> <p>All were on target in 2023/24, except for extended lead time of the smaller climate change vehicle.</p>
Other vehicles Budget £1.03m Forecast £1.03m	<p>This budget allowed for the replacement of various operational support vehicles. Delivery of all vehicles were expected in year.</p>

Operational Equipment Budget £1.47m Forecast £1.22m Slippage £0.25m	This budget allowed for equipment purchases including thermal imaging cameras and cutting and extrication equipment 2023/24. Slippage on Ballistic Vest and Helmet PPE would enable exploration and pilot of equipment.
Building Modifications Budget £1.6m Forecast £1.6m	This budget included the continuation of Drill Tower replacements and an upgrade to the Wylfa prop facility. Completion of works was on target.

IT systems Budget £1.7m Forecast £1.3m Slippage £0.3m	This budget included for the upgrade Firewalls and digitisation of fire appliances. The new Firewall (£0.235m) was expected to be completed in quarter four, therefore the WIFI (£0.1m) would slip to quarter 1 of 2024/25. The Emergency Services Mobile Communication Programme (ESMCP) was a national project that had been paused to 2025 delaying slippage (£0.1m) from 2022/23 further.
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Appendix 2, as now considered by Members set out the capital programme and the committed expenditure position against this, as reflected above. The committed costs to date would be met by revenue contributions and usage of capital reserves and capital receipts.

In response to a question raised by CC O'Toole regarding the potential for a sizeable increase to external audit fees, the Director of Corporate Services advised that the current fees were circa £44k which was relatively low when compared with others and reflected the work of an organisation that delivered on time with minor adjustments. An increase was estimated in the region of 100% of the total fee.

The Director of Corporate Services added that the standards and guidance for auditors were set against international audit standards which the sector felt were not suitable and confirmed that Treasurers had been lobbying for a risk-based model. He advised that the potential for increased fees had been expected for some time. It was recognised that the audit profession were under pressure which had led to delays in completing audits and that there were a very small number of auditors that wanted or could undertake the work. In addition, he advised that the Service was looking to attract Government support through 'new burdens funding' and that Public Sector Audit Appointments was currently undertaking a consultation on proposals for setting the fee scale for 2023/24 audits with responses due mid-October.

Resolved: that the committee noted and endorsed the financial position and approved slippage in the capital programme of £0.9m to 2024/25.

18/23	Date and Time of Next Meeting
	<p>The next meeting of the Committee would be held on Wednesday 29 November 2023 at 1000 hours in the Main Conference Room at Lancashire Fire and Rescue Service Headquarters, Fulwood.</p> <p>Further meeting dates were noted for 27 March 2024 and 3 July 2024 and agreed for 25 September 2024.</p>
19/23	Exclusion of Press and Public
	<p>Resolved: that the press and members of the public be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph of Part 1 of Schedule 12A to the Local Government Act 1972, indicated under the heading to the item.</p>
20/23	Pensions Update (Standing Item)
	<p>(Paragraphs 4 and 5)</p> <p>Members considered a report that provided an update on the various issues which had arisen in respect of the changes to the pension schemes applying to the uniformed members of the Fire Sector.</p> <p>Resolved: that the report be noted.</p>
21/23	High Value Procurement Projects
	<p>(Paragraph 3)</p> <p>Members considered a report that provided an update on all contracts for one-off purchases valued in excess of £100,000 and high value procurement projects in excess of £100,000 including: new contract awards, progress of ongoing projects and details of new projects.</p> <p>Resolved: that the report be noted.</p>

M Nolan
Clerk to CFA

LFRS HQ
Fulwood

Lancashire Combined Fire Authority Resources Committee

Meeting to be held on 29 November 2023

Financial Monitoring 2023/24 (Appendices 1 and 2 refer)

Contact for further information: Steven Brown - Director of Corporate Services
Tel: 01772 866804

Executive Summary

The report sets out the current budget position in respect of the 2023/24 revenue and capital budgets.

Recommendation

The Committee is requested to:

- note and endorse the financial position; and
- approve additional slippage in the capital programme of £1.566m to 2024/25.

Revenue Budget

Lancashire Fire and Rescue Service's 2023/24 revenue budget has been set at £68.493m. The forecast outturn position is £68.888m, an overspend of £0.395m; an overspend of £0.594m on non-pay activities and an underspend of (£0.199m) on pay.

The year-to-date and forecast positions within all departmental budgets are set out in Appendix 1, with major forecast variances of note shown separately in the table below:

Area £'m	Overspend/ (Under spend)	Reason
Pay	(0.199)	<p>The forecast is consistent with the position reported to the Committee in September:</p> <ul style="list-style-type: none"> • There is a forecast pressure of £0.140m as a result of the Service meeting its legal responsibilities in relation to the Bear Fulton legal case regarding holiday pay; • Whilst the Emergency Cover Review (ECR) remains on target, there have been some initial timing delays compared to the budget that have resulted in an in year pressure that has been offset through improvement in the management of overtime arrangements; and • Other savings include some vacancies particularly at the training centre of (£0.179m).

Area £'m	Overspend/ (Under spend)	Reason
Fleet and technical Services - Non Pay	0.358	The forecast overspend is mainly due to inflationary pressures on the supply of parts and increase in repairs. It is hoped that this pressure will reduce in future years as inflation falls and the older fleet stock is replaced.
Apprenticeship Levy Funding – Non Pay	0.300	As previously reported the Apprenticeship Levy income for the year is forecast to be lower than budgeted resulting in an annual pressure of approximately £0.300m; this is due to a reduction in the number of recruits meeting the eligibility criteria for funding. On call fire fighters and recruits with significant prior learning do not attract levy funding.
Training Centre Courses – Non Pay	0.163	Due to vacancies in the Training Centre, as previously reported, the department has had to appoint more associate trainers than budgeted to meet the training needs of the service such Driver Training and specialist training such as swift water rescue as a result of the ECR. This pressure is offset by vacancies and the service is putting in place arrangements to try to increase the number of internal trainers.
Service Delivery / Heads of Service Delivery – Non Pay	0.108	As previously reported there is a forecast overspend of £0.108m on protective equipment, including the roll out of wildfire kit and Urban Search And Rescue (USAR) kit.
Non – DFM – Bank Interest	(0.302)	There is a forecast saving on interest earned on cash balances invested.

Capital Budget

The Capital Programme for 2023/24 is £11.7m, after allowing for the year end slippage agreed at the last Resources Committee meeting. Spend to date is to date is £3.79m which is predominantly on pumping appliances as set out in Appendix 2.

We have reviewed the current year end forecasts and are currently anticipating an in year spend of £9m. This will lead to total slippage of £2.6m; an additional £1.566m slippage for approval by the Resources Committee. Details of capital projects are outlined in the table with the additional slippage for approval:

Area	Budgeted Items
Operational Vehicles Budget £5.991m Forecast £4.507m Approved Slippage £0.301m Additional Slippage £1.136m	The budget allows for the remaining stage payments for 10 pumping appliances purchased in previous financial years. In addition, the budget allows for the first stage payments of the 3 pumping appliances for the 2023/24 programme. It also includes two climate change vehicles and three command units. All are on target in 2023/24, except for extended lead time of the smaller climate change vehicle. The following additional items have slipped to 2024/25 due to extended lead times: <ul style="list-style-type: none"> • 2 Water Towers (£1.027m) due for delivery quarter 1 2024/25; • 2 Prime movers (£0.260m) have slipped pending specification certification from the supplier.
Other vehicles Budget £1.03m Forecast £0.925m Approved slippage £0.123m	This budget allows for the replacement of various operational support vehicle. The supply of 3 rescue team vans have been delayed to 2024/25.
Operational Equipment Budget £1.47m Forecast £1.22m Approved slippage £0.25m	As reported in September, this budget allows for equipment purchases including thermal imaging cameras and cutting and extrication equipment 2023/24. Slippage on Ballistic Vest and Helmet PPE will enable exploration and pilot of equipment.
Building Modifications Budget £1.6m Forecast £1.6m	This budget includes the continuation of Drill Tower replacements and an upgrade to the Wylfa prop facility. Completion of works is on target. There is a risk works may slip into early 2024/25.
IT systems Budget £1.7m Forecast £1.3m Approved slippage £0.3m Additional Slippage £0.430	This budget includes for the upgrade Firewalls and digitisation of fire appliances. Slippage is expected on the following: <ul style="list-style-type: none"> • The national Emergency Services Mobile Communication Programme (ESMCP) has paused to 2025 (£0.1m); • Upgrade of Asset Management (£0.1m) due to review of interdependencies; • WIFI (£0.135m) can only be completed after the Firewall scheduled in quarter 4 of 2023/24; • Incident ground radios (£0.23m) has slipped in line with helmet communications and the breathing apparatus replacement program; and • RDS Alerters (£0.065m) has slipped due to period of soft market research.

Appendix 2 sets out the capital programme and the committed expenditure position against this, as reflected above. The committed costs to date will be met by revenue contributions and usage of capital reserves and capital receipts.

Financial Implications

As outlined in the report

Business Risk Implications

None

Environmental Impact

None

Equality and Diversity Implications

None

Human Resource Implications

None

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

Paper:

Date:

Contact:

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

APPENDIX 1

BUDGET MONITORING STATEMENT SEPT 2023	Revised Annual Budget	Revised YTD Budget	Year to Date Total	Year to Date Variance	Variance Pag	Variance Non-Pag	Outturn Forecast	Outturn Variance	Outturn Variance Pag	Outturn Variance Non-Pag
People & Development	-	-	-	-	-	-	-	-	-	-
Human Resources	958.05	474.45	474.89	0.44	- 24.49	24.93	933.94	- 24.11	- 67.44	43.33
Occupational Health Unit	295.25	152.20	153.06	0.86	10.92	- 10.06	282.89	- 12.36	9.90	- 22.27
Corporate Communications	350.09	166.38	201.46	35.08	26.71	8.37	385.87	35.78	40.39	- 4.60
Safety Health & Environment	262.77	132.88	150.16	17.28	27.06	- 9.78	307.36	44.59	55.75	- 11.16
	-	-	-	-	-	-	-	-	-	-
Corporate Services	-	-	-	-	-	-	-	-	-	-
Executive Board	1,077.66	565.98	624.58	58.59	71.77	- 13.18	1,134.89	57.23	82.06	- 24.84
Central Admin Office	842.87	420.93	302.50	- 118.43	- 112.17	- 6.27	566.54	- 276.33	- 257.92	- 18.41
Finance	194.14	97.04	102.79	5.75	5.23	0.52	196.86	2.71	2.82	- 0.11
Procurement	723.38	454.77	509.47	54.69	25.01	29.69	993.32	269.95	157.41	112.53
Property	3,976.98	1,753.22	1,753.12	- 0.09	- 17.11	17.02	3,954.24	- 22.74	- 44.53	21.79
External Funding	- 7.17	- 4.91	- 4.91	- 0.00	0.02	- 0.02	- 7.17	-	-	-
TOTAL DFM EXPENDITURE	65,267.09	34,479.50	35,004.30	524.80	-36.78	561.58	66,023.31	756.21	- 115.31	871.52
Non DFM Expenditure										
Pensions Expenditure	1,399.20	555.30	572.46	17.16	-	17.16	1,398.48	- 0.72	-	- 0.72
Other Non-DFM Expenditure	1,826.81	- 2,506.31	- 2,629.88	- 123.57	- 40.53	- 83.04	1,466.88	- 359.93	- 83.55	- 276.38
NON-DFM EXPENDITURE	3,226.01	- 1,951.01	- 2,057.41	- 106.41	-40.53	- 65.87	2,865.37	- 360.64	- 83.55	- 277.10
TOTAL BUDGET	68,493.10	32,528.49	32,946.89	418.40	-77.32	495.71	68,888.67	395.57	- 198.86	594.43

CAPITAL BUDGET 2023/24	Revised Programme	Expenditure to Date	Year End Outturn	Slippage to future years	Estimated final cost	Over/ (Under) Spend
Vehicles						
Operational Vehicles	5.991	3.215	4.507	(1.437)	5.944	(0.046)
Support Vehicles	1.030	0.125	0.925	(0.123)	1.048	0.018
	7.021	3.340	5.432	(1.560)	6.993	(0.028)
Operational Equipment						
Operational Equipment	1.468	0.385	1.218	(0.250)	1.468	0.000
	1.468	0.385	1.218	(0.250)	1.468	-
Buildings Modifications						
STC	0.016	0.070	0.015	0.000	0.015	(0.001)
Enhanced station facilities	0.500	0.000	0.500	0.000	0.500	0.000
Drill tower replacements	0.711	(0.010)	0.711	0.000	0.711	0.000
Wylfa Prop	0.125	0.000	0.125	0.000	0.125	0.000
Estate Improvement Provision	0.250	0.000	0.250	0.000	0.250	0.000
	1.602	0.060	1.601	-	1.601	(0.001)
ICT						
IT Systems	1.653	0.000	0.888	(0.730)	1.618	(0.035)
	1.653	-	0.888	(0.730)	1.618	(0.035)
Total Capital Requirement	11.744	3.785	9.139	(2.540)	11.679	(0.065)
Funding						
Capital Grant	-	-	-			
Revenue Contributions	4.000		4.000			
Earmarked Reserves	0.364	-	0.364			
Capital Reserves	5.697	3.785	3.092			
Capital Receipts	1.683	-	1.683			
Total Capital Funding	11.744	3.785	9.139			

Lancashire Combined Fire Authority Resources Committee

Meeting to be held on 29 November 2023

Treasury Management Mid-Year Report 2023/24

Contact for further information:

Steven Brown - Director of Corporate Services – Telephone Number 01772 866804

Executive Summary

The report sets out the Authority's borrowing and lending activities during 2023/24. Decisions taken were in accordance with the Treasury Management Strategy and were based on anticipated spending and interest rates prevailing at the time.

Recommendation

The Committee is asked to note and endorse the report.

Information

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

Economic Overview

Treasury management activity is taken within the context of prevailing and forecasted economic conditions. The first half of the year saw the continuation of high levels of inflation. As measured by the CPI, inflation was 10.1% in March 2023. Although the rates had fallen during the year to a level of 6.7% in September this is still above the Bank of England Monetary Policy Committee (MPC) target for inflation of 2%. In addition to high inflation there continued to be strong wage growth. As a consequence, the MPC have raised the Base rate several times in the year. The rate on the 1 April was 4.25% and this had increased to 5.25% in August.

Many economic forecasters consider that interest rates have reached a peak with the economy showing signs of low growth and the potential of a recession increasing. However, despite this and the Bank of England's expectation that inflation will continue to fall during the year it is not anticipated that there will be a fall in the Base rates in this financial year with the Bank stating that "we will keep interest rates high enough for long enough to ensure that we achieve our goal" (of meeting its 2% target).

The latest forecast from Arlingclose, the treasury adviser to the County Council, is:

	Base	10 year	20 year
	Rate %	Gilt%	Gilt%
Current	5.25	4.27	4.67
December 23	5.25	4.40	4.65
Mar 24	5.25	4.35	4.60
Jun 24	5.25	4.30	4.55
Sep 24	5.00	4.25	4.45
Dec 24	4.75	4.15	4.35
Mar 25	4.25	4.00	4.25
Jun 25	4.00	3.80	4.20
Sep 25	3.75	3.75	4.20
Dec 25	3.50	3.65	4.20
Mar 26	3.25	3.60	4.20
Jun 26	3.00	3.65	4.20
Sep 26	3.00	3.70	4.20

Treasury Management position and Policy

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

	Balance 31/3/23
	£m
Capital Finance Requirement	11.9
Less other debt liabilities	(11.9)
Borrowing Requirement	0.000
External borrowing	2.000

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

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

Borrowing

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

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

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

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 on a daily basis. 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.

Investments

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 of receiving low investment returns and having the value of reserves eroded by inflation.

The Authority principally invests in a call account provided by Lancashire County Council which pays the base rate. Each working day the balance on the Authority's Current Account is invested in this to ensure that interest is received on surplus balances within an acceptable risk framework. During the period all surplus balances were placed with the County Council via this arrangement. At 30th September there was a balance of £24.970m invested in LCC while the average for the period was £20.080m. The current rate for these investments is 5.25% in line with the increase in the Base Rate in August 2023. At the beginning of the financial year the rate was 4.25%.

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

Start Date	Finish Date	Principal £m	Interest Rate	Annual interest	Interest in 2023/24
21-Mar-22	21-Mar-24	5	1.50%	£72,500	£72,945
27-Oct-22	26-Oct-23	5	3.30%	£165,000	£94,027
7-Oct-22	6-Oct-23	5	4.00%	£200,000	£103,013

At 30 September there was £15m fixed term investment in place, therefore the total investment held at 30 September was £39.970m.

The overall rate of interest earned during this period was 4.06% which is less favourable when compared with the benchmark 7-day index which averages 4.73% over the same period.

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

There have been a further three fixed term investments taken out with other Local Authorities during the period which only start later in the financial year as follows: -

Start Date	Finish Date	Principal £m	Interest Rate	Annual interest	Interest in 2023/24
14-Dec-23	12-Dec-24	3.5	5.05%	£176,750	£52,783
20-Nov-23	18-Nov-24	5	5.85%	£292,500	£106,582
17-Oct-23	15-Oct-24	5	5.55%	£277,500	£126,966

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

Period	Interest rate
6 months	5.30%
1 year	5.50%
2 year	5.10%
3 year	4.90%

Prudential Indicators

In order to control and monitor the Authority's treasury management functions, a number of prudential indicators are determined against which performance may be measured. The indicators for 2023/24 were approved by the Authority on 20 February 2023 are shown in the table below alongside the current actual.

	2023/24 PIs	Actual at 30/9/23
Adoption of the CIPFA Code of Practice for Treasury Management	Adopted	Adopted
Authorised limit for external debt	£m	£m
A prudent estimate of total external debt, which does not reflect the worst-case scenario, but allows sufficient headroom for unusual cash movements		
Borrowing	4	2
Other long-term liabilities	30	12
Total	34	14
Operational boundary for external debt		
A prudent estimate of debt, but no provision for unusual cash movements. It represents the estimated maximum external debt arising as a consequence of the Authority's current plans		
Borrowing	3	2
Other long-term liabilities	16	12
Total	19	14

Upper limit for fixed interest rate exposure			
	Borrowing	100%	100%
	Investments	100%	38%
Upper limit for variable rate exposure			
	Borrowing	50%	0%
	Investments	100%	62%
Upper limit for total principal sums invested for over 364 days (per maturity date)		25	5
Maturity structure of loan debt		Upper/ Lower Limits	Actual %
	Under 12 months	100% / nil	0%
	12 months and within 24 months	50% / nil	0%
	24 months and within 5 years	50% / nil	0%
	5 years and within 10 years	50% / nil	0%
	10 years and above	100% / nil	100%
Ratio of financing costs to revenue stream (%)	Budget	Sept Estimate	
Ratio of financing costs to revenue stream (%)	-1.6%	-2.1%	

Revenue Budget Implications

The 2022/23 revenue budget for treasury management activity showed that anticipated income exceeded expenditure by £105k. Taking into account the activity for the first six months of the year and estimated cash-flow for the remainder of the year the latest forecast is shown below:

	2023/24	2023/24	2023/24
	Budget	Forecast	Variance
	£m	£m	£m
MRP	0.000	0.000	(0.000)
Interest payable	0.090	0.090	(0.000)
Interest receivable	(1.300)	(1.520)	(0.220)
Net budget	(1.210)	(1.430)	(0.220)

The interest receivable is above budget as the balances and interest rates are higher than anticipated when setting the budget. The forecast assumes interest rates on the call account averages 5.25% for the remainder of the financial year.

Financial Implications

Included within report above.

Human Resource Implications

None

Equality and Diversity Implications

None

Business Risk Implications

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

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

Environmental Impact

None

Local Government (Access to Information) Act 1985

List of background papers

Paper: Treasury Management Strategy 2023/24
Date: February 2023
Contact: Steven Brown, Director of Corporate Services
Reason for inclusion in Part 2 if appropriate: N/A

Lancashire Combined Fire Authority Resources Committee

Meeting to be held on 29 November 2023

Fleet Asset Management Plan 2023 - 2027 (Appendix 1 refers)

Contact for further information: Deputy Chief Fire Officer Steve Healey
Tel No. 01772 866802

Executive Summary

This refreshed Fleet Asset Management Plan (FAMP) continues to build on a structured approach to the management of operational vehicles, equipment, breathing apparatus and hydrant assets and is designed to support the delivery of the Authority's Community Risk Management Plan and associated strategies, predominantly the response strategy.

The FAMP is key in determining strategic decisions regarding assets and defining how resources are efficiently and effectively utilised. This will ensure that Lancashire Fire and Rescue Service (LFRS) vehicles and equipment provide a resilient service to meet the changing needs of a modern Fire and Rescue Service and the communities it serves, in line with our Strategic Assessment of Risk.

Whilst the FAMP projects asset replacement over the next eight years, the Plan sets out capital investment requirements over the next four years and will be refreshed over that period in line with risk, to ensure it continues to accurately reflect the operating environment. This approach secures stability in capital and revenue budgets and facilitates the introduction of new technologies through a staged approach.

The FAMP also covers short to medium term business planning improvement objectives. The Service's Fleet and Engineering Services department will continue to strive for improvement by maintaining a strong focus on customer care.

Recommendation

The Committee is asked to recommend to the Authority that the 2023-27 Fleet Asset Management Plan is endorsed as part of the Budget approval process in February 2024.

Information

The FAMP is key in determining strategic decisions regarding assets and defining how resources are efficiently and effectively utilised. This will ensure that LFRSs vehicles and equipment provide a resilient service to meet the changing needs of a modern Fire and Rescue Service and the communities it serves.

Running a modern Fleet is a safety critical operation which must ensure employee and public safety. This is achieved through best practice in vehicle inspection,

maintenance, operation and procurement. LFRS also ensure compliance to Department of Transport and Driver & Vehicle Standards Agency (DVSA) regulations on construction, use and roadworthiness.

Key projects in the 2023-27 FAMP are:

- Body worn and vehicle CCTV;
- Battery Road Traffic Collision Tools;
- Aerial Appliance provision;
- Replace Command Support Units;
- Breathing Apparatus and Telemetry Equipment;
- A Greener, more environmentally sustainable fleet;
- Suitable vehicles and equipment to meet the changing risk, in particular that resulting from climate change;
- Investment in modern firefighting technology, including introducing flow meters and larger diameter hose reels on our Fire Engine fleet;
- Continue our journey towards being the most innovative Fire and Rescue Service in the country by investing in technology, including drones and the potential for robotics to improve firefighter safety.

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

- Customer – building stronger working relations and meeting requirements;
- Financial – achieve efficiency savings and maintain a healthy replacement plan;
- Systems – continued development of asset management systems;
- Development / Growth – invest in staff training and development.

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

Business Risk

LFRS must continue to maintain a healthy replacement plan to achieve an effective response service and to maintain a robust business continuity plan.

Environmental Impact

LFRS is committed to the Green Agenda, therefore, by progressively introducing a greener, more environmentally sustainable vehicle offering (euro 6 spec) will reduce emissions and carbon footprint.

Equality and Diversity Implications

None.

HR Implications

Fleet and Engineering Services will liaise closely with HR on changes to departmental structure employment contracts and or service provision.

Financial Implications

LFRS currently spend approximately £1.5m on vehicles and £0.5m on equipment and Breathing Apparatus assets per annum. Within the current revenue and capital budgets this plan is affordable and ensures value for money for the service.

However, both revenue and capital budgets are subject to approval by the Authority annually and thus funding for this plan cannot be guaranteed but agreement of this plan sets the strategic direction for the service and allows for longer term planning.

Local Government (Access to Information) Act 1985

List of background papers

Paper:

Date:

Contact:

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

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Lancashire Fire and Rescue Service Fleet Asset Management Plan 2023-2027

Introduction

Lancashire Fire and Rescue Service publish a Community Risk Management Plan (CRMP). The CRMP is a 5-year plan which sets out the direction of the Service and how it will continue to make Lancashire safer through the core strategies of:

1. Valuing our people so they can focus on making Lancashire safer
2. Preventing fire and other emergencies from happening
3. Protecting people and property when fires happen
4. Responding to fire and other emergencies quickly and competently
5. Delivering value for money in how we use our resources

The Fleet Asset Management Plan (FAMP) compliments the CRMP to ensure the Service's equipment and vehicle fleet assets are fit for purpose, enabling the core principles and objectives of the Service to be achieved and is the key strategic fleet asset document regarding the replacement of equipment and vehicle assets.

The FAMP sets out a replacement 4-year fleet asset programme for vehicles and equipment, and also includes a draft longer term capital projection plan within the appendices. Capital budgets are reviewed annually, with quarterly governance oversight provided through the Capital Programmes Project Board (CPPB). The FAMP is reviewed annually to ensure alignment with Service requirements, taking account of regional and national operational guidance.

Through the key objectives set within the FAMP, we aim to support the creation of a positive, inclusive culture that encourages innovation and continuous improvement. Achieving the right culture will enable us to deliver the best services and be an outstanding fire and rescue service for our communities and visitors.

To help achieve this, we will align our FAMP annual objectives with these organisational strategies to ensure that:

- Operational staff have access to the most appropriate fleet assets to ensure the Service can meet its overall objective of making Lancashire safer.
- Stations have ease of access to equipment and vehicle-related data to ensure checking, verification and defect reporting is made as intuitive as possible.
- Fleet and Engineering Services will partner with other LFRS support services to explore and secure the most innovative on-appliance digital data systems available, to address all aspects of LFRS work.
- Make use of digital technology to track, log and repair LFRS equipment and vehicles quickly.

LFRS core values

Our STRIVE values and the national Core Code of Ethics guide the professional behaviours expected of all our staff to ensure our workplace is one where everyone feels valued, included, and able to reach their full potential. Our service “**STRIVE**” values underpin everything we seek to achieve:

- Service
- Trust
- Respect
- Integrity
- Value
- Empowerment

Fleet and Engineering Services Department (FES)

Fleet and Engineering Services (FES) are responsible for all aspects of LFRS equipment and vehicle asset management. The department has responsibility for product research, design, development, procurement, maintenance and disposal of all equipment, vehicle assets, Personal Protective Equipment (PPE) and Breathing Apparatus (BA). In addition, FES is also responsible for the management of 10,000 Hydrants adopted across Lancashire for the purpose of firefighting activities.

The FES team provide professional advice to internal and external customers on all aspects of the Asset Management Policy and operational requirements. FES are committed to adopting lean processes which deliver an effective and efficient service to meet customer’s needs, whilst achieving financial efficiencies that contribute to the Services’ medium to long-term financial planning.

Structures and Responsibilities

The Head of FES has responsibility for the Department’s performance specific to financial and service delivery.

The department manages planned and non-planned maintenance undertaken by contractors, develops product specifications and provides professional advice on the law and health and safety matters related to vehicle operations.

Operational equipment is managed through an operational BA Equipment team. The section manages all aspects of procurement, research, and development of operational equipment, including Breathing Apparatus, hydrant maintenance, repair and new installations. They also provide professional advice on use, the law and health and safety matters related to these assets.

We will:

- Develop FES to improve asset management controls, whilst maintaining quality, competitiveness, and compliance.
- Ensure all assets considered for introduction into service are fit for purpose and come with the appropriate technical training.
- Continue to develop BA workshop facilities to be more effective and efficient in operation.
- Consider co-locating the FES team with the fleet and BA facilities at Service Training Centre.

Asset Base

As of 31 March 2023, the fleet assets comprise 240 vehicles (including Service Training Centre) and 16,129 items of equipment, including BA. The asset value is defined in the table below:

Operational Vehicles	£5,887,887.18
Support Vehicles	£1,016,599.38
STC (Training Vehicles)	£7,675,00
Operational Equipment (capital)	£277,006.21
TOTAL	£7,189,167.77

Appendices A - E provide a breakdown of asset type and planned replacement, in line with LFRS Medium Term Financial Strategy and Capital Programme.

We will:

- Replace assets on time, taking into consideration the indicative life cycle.
- Purchase assets within the principles of value for money and whole life costs.
- Ensure assets meet the needs of the Service.

Life Expectancy and Efficiency

To improve efficiency, the current nominal lifecycle for an operational fire appliance will increase from 12 to 13 years, followed by 2 further years at Training Centre, achieving a total life of 15 years. The 15-year cycle equates to a fleet turnover of c. 5 appliances per annum. The lifecycles for special appliances range from 8 to 15 years. Their economic life is determined on whole life costs generated through operational use. To achieve a smoother asset replacement programme some flexibility regarding replacement is required to even out costs. However, equipment such as Breathing Apparatus (BA) needs to be replaced en-bloc due to the complexities of training introduced through having a wide product range.

The FAMP aims to smooth out vehicle purchases over the period to ease pressures on capital and maintenance costs. However, extended lead-times over the past 2 years inevitably means annual capital replacement costs are often carried over. To address this, 3-year contracts are normally awarded, which will address such slippages more effectively.

We will:

- Continuously review appliance age and condition with a view to extending life planning, where possible.
- Monitor equipment longevity and serviceability against the needs of the Service.

Capital Replacement Programme

The department's Capital Replacement Programme is attached in Appendices A - E. The tables outline the long-term replacement plans based on asset lifecycles. Each year this plan is reviewed against the specific needs of the Service and the ever-changing FRS landscape. Smoothing the replacement plan is fundamental in providing equipment and vehicle assets when required, enabling capital profiling which is more predictable, and aligns with the LFRS procurement function.

We will:

- Review and align the FES Capital Replacement Programme with the ongoing requirements of the Service.
- Continuously review equipment and vehicle asset life plans, aligning with capital provision and the needs of the Service.
- Monitor assets provision to ensure sufficient capital availability to future-proof the LFRS equipment and vehicle requirements going forward.

FES Procurement

The department continues to work closely with the Procurement department in all capital replacement purchases using mainly framework agreements to reduce the procurement timeline, whilst ensuring compliance. In addition, regional and national procurement partnerships are actively sought by FES to improve economies of scale, at the same time offering value for money across the FRS community.

We will:

- Make use of national frameworks to reduce procurement timelines and ensure compliance.
- Continue to develop shared procurement working arrangements with the regional and national FRS community to make use of best practice.
- Monitor changes in the FRS equipment and vehicle asset supply chain to better inform future procurement exercises and timelines.

Appliance Design

Due to challenges associated with the FRS supply chain, the Service sought a more sustainable appliance platform which can be supplied direct from the manufacturer as a crew-cab. Previous appliance designs required a protracted engineering solution to source and manufacture a suitable FRS crew-cab.

The project work undertaken prior to the next group of pumping appliance arrival will address the need for improved equipment stowage, provide a more complete technical rescue pump and meet the challenges presented by climate change. New pumping appliance technology affords the Service a significant carbon reduction over previous designs, which is a major consideration as the Service transitions towards zero-carbon production.

We will:

- Maintain the current transition towards net-zero, where possible, for our vehicle fleet, continuing to explore EV and hybrid solutions where possible.
- Continue to develop new stowage arrangements based on the service requirements, making use of additional locker space provided by the new appliance design.
- Develop pumping appliance training packages in conjunction with the changing needs of the Service.

Major Equipment Replacement Programme

The Service will be introducing a range of new equipment during the period of this FAMP, in conjunction with the CRMP 2022-27 and the Emergency Cover Review (ECR) outcomes. LFRS continues to invest in equipment to make our work more efficient and effective, whilst improving the safety of our staff.

The Service will introduce new battery-powered road traffic collision (RTC) equipment, which will improve the incident ground rescue capability whilst providing an additional level of versatility not offered by the current hydraulic-powered equipment.

BA remains a priority item of Personal Protective Equipment (PPE) for our firefighters. The Service has invested in a state-of-the-art maintenance and training facility at Service Training Centre, supporting our aspirations to be the best trained, best quipped, best accommodated, and most professional fire and rescue service in the country. Our existing BA sets are coming to the end of their normal life cycle and will be due for replacement soon.

New modern firefighting techniques have been developed over the last decade to address the challenges of compartment fires and the risks within the built environment. Supporting firefighters with the latest technology and training is a priority for LFRS. In line with most other north-west Services, we will look to introduce larger 22mm hose-reels on all appliances over the duration of this FAM, thereby providing firefighters with double the water and cooling capacity when fighting compartment fires. In addition to this, state of the art flow meters will be introduced to assist pump operators with the ability to understand the amount and flow of water being provided to firefighters within the risk area.

Due to the increase risks of attacks on firefighters, the Service is committed to providing the highest level of PPE. We will look to pilot the use of body armour for certain incident response, complementing our 'safe person' centred approach.

We will:

- Complete the introduction of battery-powered road traffic collision (RTC) equipment on all pumping appliances, initially rolling-out to those stations with the highest prevalence of road risk across Lancashire.

- Plan to replace the existing BA sets and ancillary equipment, in conjunction with the Northwest FRS region.
- Procure new Thermal Image Cameras (TIC): including issuing thermal scanning devices to OIC's and Flexi Duty Officers to further improve incident ground situational awareness.
- Roll out flow meters, 22mm hose-reels and adjustable hose reel branches to improve weight of attack when tackling compartment fires.
- Evaluate the appliance water tank capacity to ensure efficient and effective deployment of resources to incidents, in consideration of available supplementary water supplies (hydrants and/or open water supplies)
- Replace Gas Tight suits with disposable versions to improve the management of contaminants and provide improved PPE for firefighters.
- Pilot the use of body armour and if successful, roll-out across the Service.

Research & Development

The FES R&D function has become embedded into the service and delivered improvements that enhance firefighter safety and firefighting techniques. The R&D group maintain a cross section of skilled people who bring a wealth of experience, knowledge, and interest in moving new developments forward. Operational staff are encouraged to lead on improvements from incident de-briefs and learning from individual operational experiences.

We will:

- Work with Service Delivery, and Response and Emergency Planning (REP) to improve equipment and vehicle innovation through Research and Development function.
- Continue to research the wider FRS industry to source equipment and vehicle best practice that can be adapted to suit LFRS requirements.

Innovation

Climate change presents considerable challenges for the UK fire sector and remains a significant risk in Lancashire. The Service has invested in specialist all-terrain vehicles, fully equipped to address wildfire and flooding in the county. These vehicles have been developed by LFRS to meet the climate change conditions experienced locally, the first in the UK to do so. Our units and specialist wildfire response teams are strategically placed to provide an efficient and effective response.

Wide area and localised flooding can devastate local communities, leaving lasting effects well beyond the event, and causing considerable financial loss. With the potential for flooding at any time of the year, there is a need to provide LFRS with an effective an appropriate equipment asset to address these challenges. response. The Service has strategically positioned water rescue appliances and water incident units in preparation for flooding events. LFRS is a host service for a high-volume pump (HVP), as part of the national response capability. The HVP's are embedded into core business, with the capability of moving large volumes of water quickly. In addition, the Service continues to invest in staff training and development around flooding, including the use of climate change all-terrain vehicles to enhance the flood response.

The Service has continued to build on the Unmanned Aerial Vehicles (UAV) technology, introducing enhanced models to further improve their capability. Now, LFRS hosts some of the most sophisticated UAV operations within the sector, which now includes an underwater Remote Operated Vehicle (ROV) capability. The ROV, which is a UK first within the FRS sector, is capable not only of detection using the latest sonar capabilities, but can also offer a grip and retrieval facility, which is of major benefit to the Service during waterborne search and rescue operations.

Two of our new pumping appliances will undergo conversion into Technical Rescue Units (TRU's) providing a dual role of pumping appliance and enhanced rescue capability, thus removing the need to have both in Service. As part of this project, the service will reduce its POD capacity, ensuring a more efficient and effective deployment of heavy rescue assets when the need arises.

We will:

- Continue to develop our climate change equipment and vehicle assets to deliver the objectives within our Climate Change Operational Response Plan (CCORP).
- Assist with the development of flood response equipment and vehicle assets.
- Continue to support the development of UAV's and ROV's for the Service, including extending the scope to include research into potential use of robotics in firefighting and rescue response scenarios.
- Aim to improve the provision of integrated ICT provision across our fleet of vehicles, that supports mobile working and the efficient and effective delivery of services.

Resilience

FES operates an out-of-hours on-call service that keeps frontline operations running effectively. The department has recently introduced a 24-hour reserve equipment store at BA Support Services for the purpose of providing a range of essential appliance equipment which can be accessed at any time by operational crews.

The department has recently expanded its contractor support network to ensure equipment and vehicle repairs are completed in a timely manner, enabling the maximum equipment and appliance availability.

We will:

- Provide an on-call, out-of-hours technical support service to support frontline operations.
- Ensure the availability of reserve appliances to provide the best possible appliance availability.
- Provide 3 fully equipped reserve appliances to reduce appliance downtime and improve availability.

Asset Management Systems

As the Service continues to improve its ICT offering, FES will explore suitable replacement asset management systems in conjunction with ICT department, Service Delivery and Response and

Emergency Planning, to improve asset management and visibility. The wider use of paperless, cloud-based systems is crucial to the management of all assets.

In a constantly changing environment, accurate financial maintenance and performance monitoring of business activity requires technology that meets the needs of the Service, both now and in the future. Whilst the existing asset system, Tranman Asset Management, can manage vehicles, operational equipment, BA, on station checks, workshop maintenance, stock management, specialist administration functions and asset capability for regional control activities, it's an aging system and requires replacement. FES will continue to develop systems to meet current and future needs of the Service asset management as they arise.

LFRS are supported by Lancashire County Council's (LCC) Fleet Services for approximately 70% of repairs and maintenance via a Service Level Agreement (SLA). LCC make use of a fleet management system (JAAMA) to provide job costing and financial performance. Although the system is relatively new into LCC, some work is required to fully exploit the asset management information required by LFRS. However, FES continues to work with LCC partners in the delivery of much more visible asset management and costing information.

Fire hydrants are managed through the Fire Hydrant Management System (FHMS). The system has been developed between the supplier and operational staff and integrates with Mobile Data equipment carried on appliances. The database retains detailed information on hydrant type, location, condition and repair history and water flow rate. This along with other risk-based information that can be accessed by operational crews whilst at incidents, represents a significant improvement to service delivery.

We will:

- Continue to research and procure suitable replacement asset management software, integrating with other digital solutions across the Service where possible.
- Continue to monitor the SLA with LCC to ensure value for money and asset management compliance.
- Continue to develop the FHMS system.

Road Safety Management

FES monitors equipment and vehicle accidents which are reported to the Health, Safety and Environment Advisory Group (HSEAG) on a quarterly basis. The Service has recently embarked on the ongoing installation of vehicle CCTV to provide improved accident scene information and help against third-party claims. In addition, a Road Risk Review Panel (RRRP) is now established to examine the specifics of each road traffic collision (RTC) involving a service vehicle. The RRRP has the authority to recommend a range of corrective measures, should the need arise. A proactive approach has been taken in supporting Service Delivery Managers to thoroughly investigate incidents, implement control measures and reinvest in training where necessary, to improve performance.

Whilst evaluation is at an early stage, the vehicle CCTV installation programme appears to be generating reductions in vehicle related accidents, reducing them from 90 in 2022 to 61 in 2023, a reduction of 32% which is significant and demonstrates the value of the installation programme. All new appliances will come standard with the cloud-based CCTV system fitted as part of the specification.

FES remain committed to improving performance by reducing accidents related to vehicles and equipment use, improving health and safety at work, road safety and minimising impact on the environment in addition to reducing costs.

We will:

- Ensure all newly purchased appliances and specialist vehicles will come with 4-way cloud-based CCTV system fitted as standard.
- Continue to develop the Road Risk Review Panel group to further examine and scrutinise all vehicle-related accidents with a view to future incremental reduction.

Carbon Footprint & Environmental Impact

The Carbon Management Plan (CMP) was agreed by the Lancashire Combined Fire Authority Resources Committee in March 2009. The aim was to reduce costs associated with energy prices as they continue to rise together with reducing carbon emissions from use in buildings and transport.

The UK in June 2019 became the first major economy in the world to pass laws to end its contribution to global warming by 2050. The target requires the UK to bring all greenhouse gas emissions to net zero by 2050.

Whilst the Service continues to reduce its own carbon footprint by implementing electric vehicles, switching from diesel-powered light vehicles to hybrid technology to eliminate nitrogen oxide (NOX) emissions, the environmental changes continue to affect LFRS operational demands.

Over the lifespan of this FAMP, we are replacing the existing Carbon Management Plan with a revised Environmental Sustainability Plan. The new plan will set out our environmental aspirations to move forward to a net zero carbon emissions position.

Vehicle related emissions are a significant contributor to carbon emissions within the Service, and as part of our ongoing commitments, reducing emissions from vehicles and improving the environmental performance of fleet vehicles remains a key aspect of revised aspirations for LFRS.

We will:

- Expand our electric vehicle charging infrastructure across LFRS sites.
- Introduce new operational response vehicles to help tackle climate change response challenges within Lancashire, as part of our Climate Change Operational Response Plan.
- Continue the transition of Officer response vehicles to hybrid technology and consider options for full electric response vehicles.
- Evaluate an electric light van within the fleet to understand how this technology will impact on delivery of our routine logistical functions.
- Prepare for the ban on the sale of new internal combustion engine (ICE) cars and vans.
- Continue to research the enhancements being made in diesel fuel technology and diesel fuel alternatives which could be considered for the fire appliance fleet.
- Consider the enhancements being made in electric/hybrid fire appliances design and reflect on the learning from other Fire and Rescue Services who are beginning to introduce this technology into their fleets.

Review

The FAMP will be reviewed on an annual basis to assess progress and compare against changing operational requirements. FES scrutinise revenue and capital budget performance each financial year to ensure realistic and achievable targets are set. Financial performance is monitored monthly and strict control or actions are implemented to ensure overall performance falls within budget.

VEHICLE TYPE PROFILE REPORT (live fleet as at 31/03/23)

APPENDIX 'A'

ITEM	MAIN FLEET (inc. Reserves)	TRAINING CENTRE (inc. Driver Training)	PRINCE'S TRUST	NEW DIMENSION	TOTALS
OPERATIONAL APPLIANCES					
PUMPING APPLIANCE	65 (63)	7	-	-	72 (70)
WATER TOWER	2 (4)				2 (4)
SUB-TOTAL	67	7	0	0	74
SPECIAL VEHICLES					
AERIAL LADDER PLATFORM	4	-	-	-	4
PRIME MOVER	3	-	-	5	8
DEMOUNTABLE BODIES	9	-	-	8	17
COMMAND UNIT (Large)	2	-	-	-	2
COMMAND UNIT (Small)	1				1
BEAVERTAIL LORRY	2	-	-	-	2
ALL TERRAIN VEHICLE	2	-	-	-	2
SUB-TOTAL	23	0	0	13	36
SUPPORT VEHICLES					
CAR – SMALL	14	-	-	-	14
CAR – MEDIUM	17	2	-	-	19
CAR – LARGE	4	-	-	-	4
CAR – FDO VEHICLE	24				24
RESCUE TEAM VAN	3	-	-	-	3
VAN - SMALL	3	-	-	-	3
VAN – MEDIUM	2	-	2	-	4
VAN –DOUBLE-CAB	10	1	-	-	11
VAN – LARGE	9	1	1	-	11
PICKUP 4x4	14	-	-	-	14
MINIBUS	-	1	10	-	11
SUB-TOTAL	100	5	13	0	118
OTHER FLEET ITEMS					
	8	3	0	1	12
TOTAL	198	15	13	14	240

FORECASTED REPLACEMENT PLAN – VEHICLES

APPENDIX 'B'

BASED ON APPROVED LIFE (FROM DATE IN SERVICE).

Type	Replacement Value £	Approved Life	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	2027 / 2028	2028 / 2029	2029 / 2030	2030 / 2031
Pumping Appliance	250,000	15	3*	3	3	5	4	4	4	5
Climate Change Appliance	250,000	13	2		2					
Water Tower	550,000	13	2					1		
Command Unit (L)	307,500	15	2							
Command Unit (S)	35,000	10	1							
Aerial Appliance (32m)	625,000	15								
Aerial Appliance (45m)	675,000	15	1							
Beavertail Lorry	45,000	13		1						
Prime Mover	135,000	13								
POD (Demountable Body)	29,250	20					1	1	2	1
ATV – Hagglund	83,000	12								
Car – Small	20,000	6		3	2	2		6		3
Car – Medium	23,000	6		5	3	1	8			6
Car – Large	27,000	6				2		1		
Car - EV	30,000	6								
Officers Car (FDO)	27,500	4	9	4	1	3	9	4	1	3
Officers Car (PO)	30,250	4		3				3		
Van – Small	22,500	6					1	1		
Van – Double cab	27,000	6		2	3		2	2		2
Van – Large	33,500	7	2		1	1	1	2	2	2
Van – Rescue Team	38,000	9								3
Van - EV	46,000	6								
Catering Unit	30,000	8				1				
Minibus	27,500	7						1		
Pick-Up 4WD	23,000	12	5					1	6	
Dog Van (USAR)	27,250	6			2					
Telescopic Handler	45,000	12				1				
Total No. of vehicles per year			27	21	17	17	28	29	16	26

*These 3 new appliances in 2023/24 are part of a batch of 13 that were procured in 2022/23 and within a capital budget allocation of £1.93m

FORECASTED REPLACEMENT PLAN – VEHICLES CAPITAL COST APPENDIX 'C'

Type	Replacement Value £	Approved Life	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
Pumping Appliance	250,000	15	750,000*	750,000	750,000	1,250,000	1,000,000	1,000,000	1,000,000	1,250,000
Climate Change Appliance	250,000	13	500,000		500,000					
Water Tower	550,000	13	1,100,000					550,000		
Command Unit (L)	307,500	10	615,000							
Command Unit (S)	35,000	10	35,000							
Aerial Appliance (32m)	625,000	15								
Aerial Appliance (45m)	675,000	15	675,000							
Beavertail Lorry	45,000	13		45,000						
Prime Mover	135,000	13								
POD (Demountable Body)	29,250	20					29,250	29,250	58,500	29,250
ATV – Hagglund	83,000	12								
Car – Small	20,000	6		60,000	40,000	40,000		120,000		60,000
Car – Medium	23,000	6		115,000	69,000	23,000	207,000			138,000
Car – Large	27,000	6				54,000		27,000		
Car - EV	30,000	6								
Officers Car (FDO)	27,500	4	247,500	110,000	27,500	82,500	247,500	110,000	27,500	82,500
Officers Car (PO)	30,250	4		90,750				90,750		
Van – Small	22,500	6					22,500	22,500		
Van – Double cab	27,000	6		54,000	81,000		54,000	54,000		54,000
Van – Large	33,500	7	67,000		33,500	33,500	33,500	67,000	67,000	67,000
Van – Rescue Team	38,000	9								114,000
Van - EV	46,000	6								
Catering Unit	30,000	8				30,000				
Minibus	27,500	7						27,500		

Type	Replacement Value £	Approved Life	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031
Pick-Up 4WD	23,000	12	115,000					23,000	138,000	
Dog Van (USAR)	27,250	6			54,500					
Telescopic Handler	45,000	12				45,000				
Total Cost of vehicles per year	£		4,104,500	1,224,750	1,555,500	1,558,000	1,593,750	2,121,000	1,291,000	1,794,750

*These 3 new appliances in 2023/24 are part of a batch of 13 that were procured in 2022/23 and within a capital budget allocation of £1.93m

FORECASTED MAJOR OPERATIONAL EQUIPMENT

APPENDIX 'D'

REPLACEMENT SUMMARY

	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m
Thermal Imaging Cameras	0.325	-	-	-	-
Breathing Apparatus (BA) and Telemetry equipment	-	-	1.000	0.900	0.320
Cutting and extrication equipment	0.750	0.750	-	-	-
Disposable Gas Tight suits		0.042			
New Equipment					
Body Armour	0.250				
Flow Meters & 22mm Hose Reels		0.144			
	1.325	0.936	1.000	0.900	0.320

FORECASTED OVERALL OPERATIONAL EQUIPMENT

APPENDIX 'E'

REPLACEMENT SUMMARY

EQUIPMENT GROUP	TOTAL	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
ANCILLARY	413	36	14	11	8	11		16	20	171
BREATHING APPARATUS	1389	372		3	1		1	777	33	61
CAB	18			4	4	6	4			
CASUALTY HANDLING	288	8	80	9	23	5	10	10	63	24
ELECTRICAL	1356	50	147	35	78	100	49	339	58	12
ELECTRICAL RUBBER GLOVES	85									
ELECTRO-HYDRAULIC	11									2
GAS TIGHT SUITS	145	10	22	26		20	7	9	19	22
HIGH-RISE	122									22
HYDRAULIC	761	75	75	135	70	214	18	68		
LADDER	392	17	14	9	66	23	5	13	13	28
LARGE ANIMAL RESCUE	194	13	3	75	43	7	3	1	6	2
LOAD CELL	51	1						1		13
MECHANICAL	429	53	71	9	6	130	16	17	7	4
MOORLAND	276	19		22	5	11	22	38	2	34
PERSONAL FLOATATION DEVICE	331	124	20	3	11	32	69	3	3	4
PERSONAL PROTECTIVE EQUIPMENT	388		36	83	67		10	14		12
PNEUMATIC	513	14	9	2	3	20	78	50	17	10
POLLUTION CONTROL	6	6								
PPE	873		11	62	103	347	13	88	55	59
PULLING	537		1	200	45	25	5	3	64	
EQUIPMENT GROUP	TOTAL	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31

RESCUE	1193	134	48	83	57	157	85	26	290	42
RESCUE PACK	2063	17	78	80	182	271	239	476	19	304
SAND RESCUE	303	10	3	4	4	4	4	7	6	2
SHORING KIT	30					2				27
STROPS AND SLINGS	1212	26	39	124	62	172	119	89	311	113
SWIFT WATER RESCUE	411	46	20	25	87	55	8	24	9	
TECHNICAL ROPE PACK	166	7	39	1	13	68	10			16
TRAINING AID	81		3					24		
VISUAL AID	122	4	73	3		28	1			6
WATER	1656	9	1	24	76	117	25	249	18	7
WORKING AT HEIGHT	314	8		6	2	32	75		76	1
	16129	1059	807	1038	1016	1857	876	2342	1089	998



Lancashire Fire
and Rescue Service



Lancashire Fire and Rescue Service
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For further information on our services please visit
www.lancsfirerescue.org.uk

Lancashire Combined Fire Authority Resources Committee

Meeting to be held on 29 November 2023

Property and Estate Assets Management Strategy 2023-2034 (Appendix 1 refers)

Contact for further information: Director of Corporate Services – Steven Brown
Tel No. 01772 866804

Executive Summary

The Property and Estate Asset Management Strategy has been updated to set out the approach for the management of LFRS Property and Estate assets over the medium to long term.

It is a key document in determining strategic decisions relating to Property and Estates assets to ensure that finances and resources are efficiently and effectively utilised to provide an estate that is fit for purpose, encourage best practice, innovation and continuous improvement and that promotes the right culture.

Recommendation

Members are asked to recommend to the Combined Fire Authority that the Property and Asset Management Strategy 2023-2034 is endorsed as part of the Budget approval process in February 2024.

Information

The Property and Estate Asset Management Strategy is key in determining strategic decisions relating to property and estates assets to ensure that finances and resources are efficiently and effectively utilised.

This 10-year strategy sets out the approach for the management of our property and estates assets over the medium to longer term. The aim of the strategy is to deliver property and an estate that supports the creation of positive, inclusive environments that are fit for purpose, encourage best practice, innovation and continuous improvement and that promote the right culture to meet the changing needs of a modern Fire and Rescue Service and the communities it serves.

The strategy is set over four parts which highlights the medium to longer term approach, as follows:

- Part 1 – Overview of the existing Property and Estate assets
- Part 2 – Property and Estates Strategic aims and objectives
- Part 3 – Property and Estates Priorities
- Part 4 – Delivering our Strategy

Business Risk

The business risks to the Service in relation to Property and Estate assets is varied.

In order to ensure an Estate that is fit for the future and can support the delivery of the CRMP the delivery of this strategy is essential.

Environmental Impact

In conjunction with other strategies and policies, the impact on the Environment will be assessed as part of any works that are procured and delivered by Property in relation to the Estate, this includes Revenue and Capital funded works.

Equality and Diversity Implications

Property will undertake Equality Impact Assessments as deemed appropriate in delivering the strategy.

Legislative requirements will be adhered to in relation to the physical estate to ensure compliance with regulations and standards.

HR Implications

Property will liaise with HR for advice and guidance in relation to any elements of delivering the strategy that are deemed to affect individuals employed by the Service (both Green and Grey Book staff).

Financial Implications

To enable the delivery of the strategy, Revenue and Capital funding is required to be allocated from the overall budget. The expenditure is managed to ensure value for money is achieved at all stages of delivery.

The Revenue budget requirement to maintain the Estate assets in their current condition is in the region of £3.7m per annum. This excludes the costs associated with PFI Station assets, staff costs and waste management.

Over recent years it should be noted that inflationary pressures have impacted on the budgets, particularly those relating to the maintenance contracts and consumption of energy (Gas and Electric).

The Capital budget allocation required to deliver the plan over the initial five-year period of the strategy is stated within Appendix 1 of the strategy document.

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 Fire and Rescue Service Property & Estate Assets Management Strategy 2023-2034

Executive Summary

This 10-year Property & Estate Assets Management Strategy sets out our approach for the management of our property and estate assets over the medium to long-term. It is part of a suite of documents which supports the delivery of the Community Risk Management Plan (CRMP). This strategy details what we aim to achieve from our property and estate assets, the strategic objectives that will inform the decisions we make and the priorities we determine over the lifetime of this strategy.

Countywide the property and estate assets are generally to a good standard, however, they require ongoing review and investment to ensure that the facilities remain Fit for Purpose and reflective of the Service's aspirations.

Core Priorities

The Lancashire Fire and Rescue Service Community Risk Management Plan (CRMP) is a 5-year plan which sets out the direction of the Service and how it will continue to make Lancashire safer through the core strategies.

Our core priorities, throughout the service, are the areas we focus our activities and resources on, these are identified within the Annual Service Plan (ASP) under the following categories:

- Preventing fire and other emergencies from happening.
- Protecting people and property when they happen.
- Responding to fire and other emergencies quickly and competently.
- Valuing our people.
- Delivering value for money.

Core values

Our STRIVE values and the national Core Code of Ethics guide the professional behaviours expected of all our staff to ensure our workplace is one where everyone feels valued, included, and able to reach their full potential. Our service "STRIVE" values underpin everything we seek to achieve:

- Service
- Trust
- Respect
- Integrity
- Value
- Empowerment

Property & Estate Assets Management Strategy

The aim of the Estate Property & Estate Assets Management Strategy is to deliver property and an estate that supports the creation of positive, inclusive environments that are fit for purpose, encourage best practice, innovation and continuous improvement and promotes the right culture.

This Strategy sets out the strategic objectives, priorities and actions required that will achieve this. Achieving these will enable us to deliver the best services and be an outstanding fire and rescue service for our communities, workforce and visitors. Due to the complexities of property and estate assets, a long-term strategy is required to ensure the following is achieved:

- A clear understanding of the estate assets required to deliver CRMP priorities.
- Identifying the most effective and efficient locations for our estate assets.
- Prioritising works required to deliver CRMP priorities.
- Ensuring sufficient resources to achieve our objectives.
- Obtaining value for money.

This document is set over four parts:

Part 1 – Overview of the existing Property and Estate Assets

Part 2 – Property and Estates Strategic Aim and Objectives

Part 3 – Property and Estates Priorities

Part 4 – Delivering our Strategy.

Part 1 – Overview of the existing Property and Estate Assets

Our Property department are responsible for all aspects of property and estate asset management across the property portfolio. They provide professional advice to internal and external customers on all aspects of the property and estate matters and are committed to ensuring that it delivers an effective and efficient service to meet customer's needs alongside delivering the medium and longer term Property and Estate Assets Management Strategy.

Structures and Responsibilities

The Head of Property has responsibility for the department's performance specific to financial and service delivery. The key functions for the department include all aspects of Estate Maintenance, Estate Management, the majority of Facilities Management services and Capital Build projects relating to the Estate.

Estate Maintenance:

- Statutory compliance.
- Planned and Preventative Maintenance (PPM).
- Reactive Maintenance including Helpdesk.
- Building Management Systems (BMS).
- Building Services.
- Risk Management including Business continuity.
- Premises Management including Access control.

Estate Management:

- Property condition surveys.
- Asset Management and Strategic Planning.
- Estate development - Land acquisition and disposal.
- Space Management including Space Efficiency.
- Capital Projects - Minor and Major Works.
- Estate Management including Blue light Collaboration.

Facilities Management services:

- Cleaning – Building and Window.
- Hygiene services.
- Grounds Maintenance.
- Pest control.
- Building security.
- Utilities – Gas, Electricity and Water.
- Waste management (note that this is managed by SHE Dept).

We will

- Review the team structure to ensure the best service is provided.
- Procure, appoint and manage specialist consultants to support the services to be delivered.
- Invest in a new Computer-Aided Facility Management system (CAFM) to enable better information management, improved service delivery and longer-term management of our property and estate assets.

DRAFT

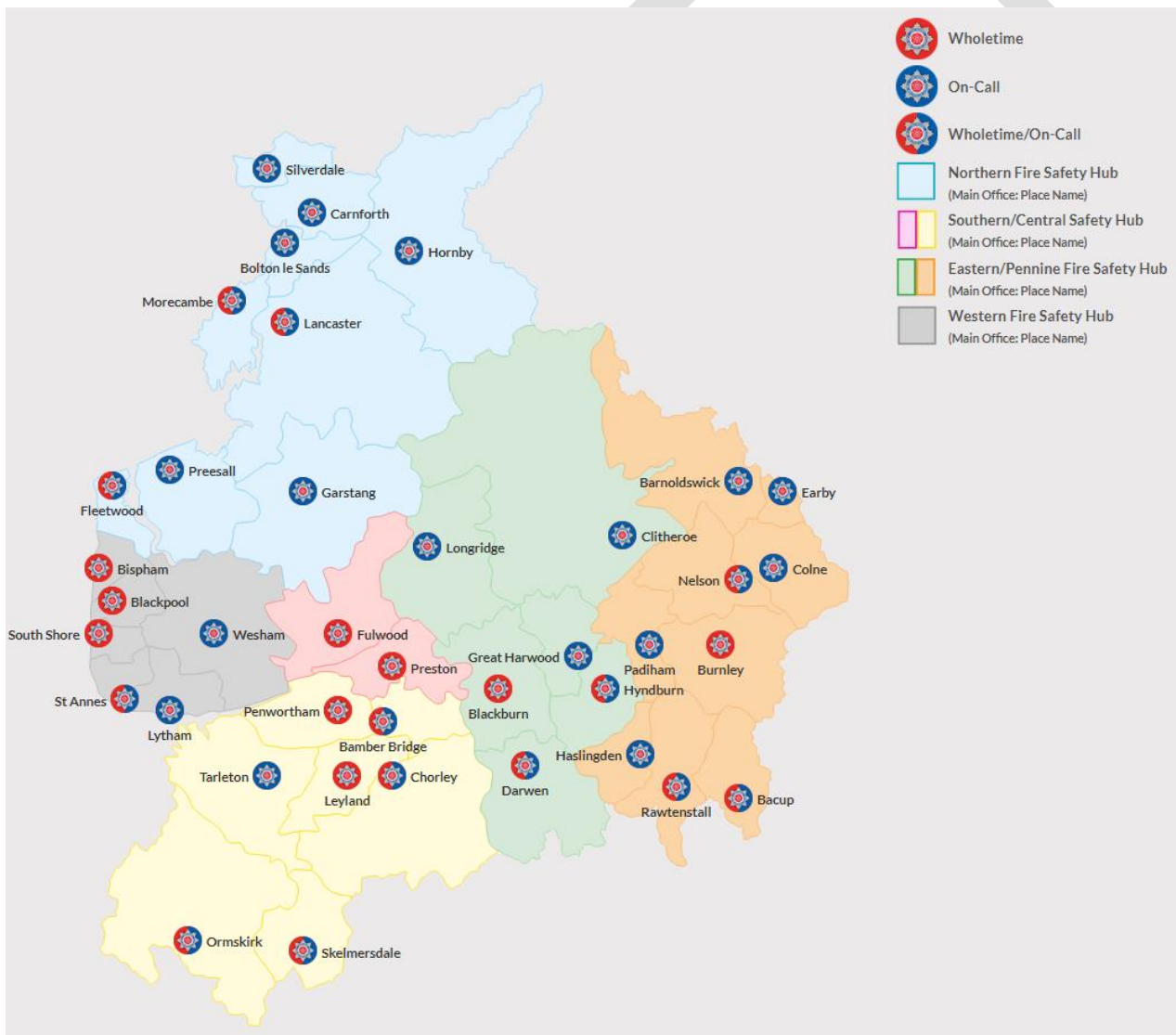
Property Asset Base

Our property assets are valued and held in the 2022/23 Statement of Accounts at over £118 million. This value is based on continued use by the service and does not represent the value that may be secured from disposal.

We operate from 41 sites across the county, split into six area hubs. The sites include 39 fire stations (wholetime and on call), Service Training Centre and Headquarters. Six of the fire stations are funded through Private Finance Initiative (PFI) with one fire station being specifically designed to share with a Blue light partner – Northwest Ambulance Service (NWAS).

To ensure collaboration and maximisation of the estate assets, site sharing arrangements are in place in numerous locations across Lancashire with Blue light partners, Prince’s Trust, Fire service support agency groups and local community charities.

The image overleaf indicates our current station locations and area hubs:



Property Condition

A fundamental aspect of property management is to assess the condition of the structure, fabric and mechanical and electrical installations. Stock condition surveys provide the evidence for the anticipated life-expectancy of building elements, running costs and energy performance, these enable informed decisions to be made in relation to the expenditure of revenue and capital funding on the estate.

Stock condition surveys, together with the knowledge and experience of the users, Property team and external specialist consultants, are utilised to enable informed decisions for both revenue and capital expenditure on the estate.

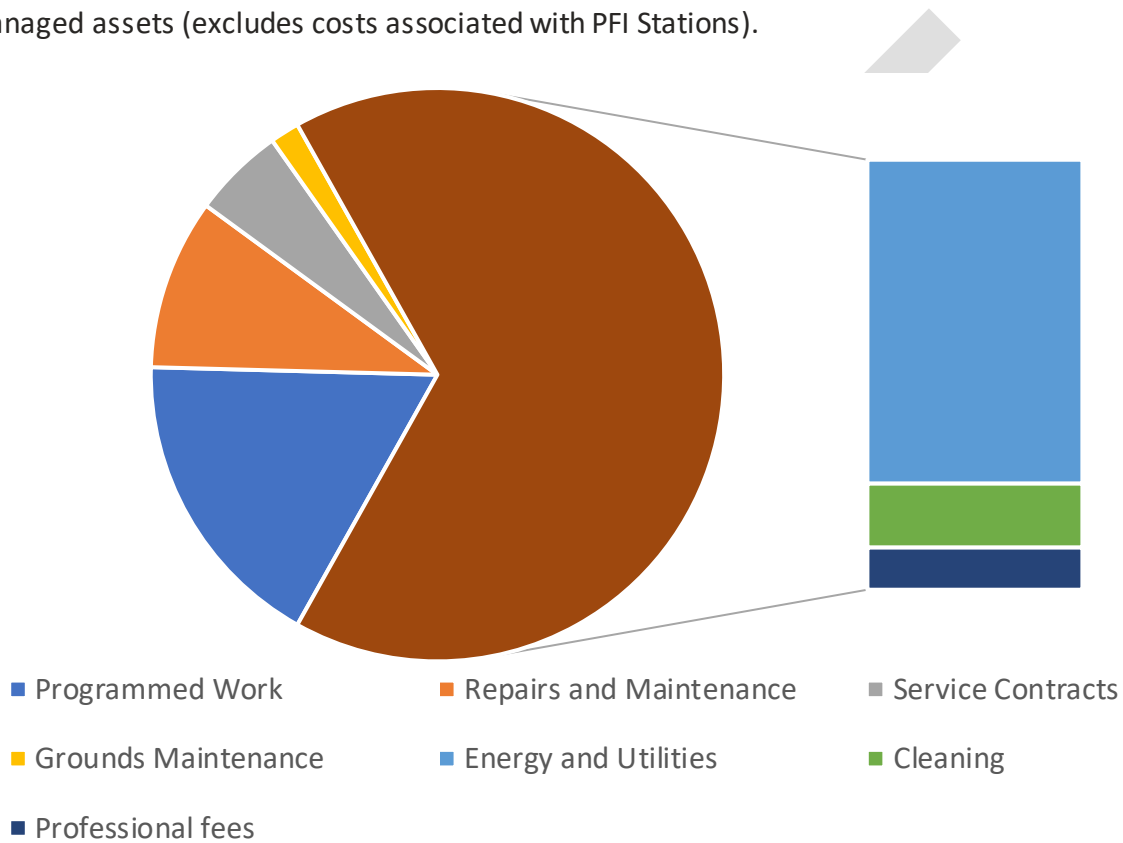
We will

- On a 5-year cyclical basis we will undertake Building Stock Condition Surveys across the estate.
- Consider our backlog maintenance and Property and Estate Assets objectives to develop our planned maintenance works schedules on an annual basis.
- Deliver the actions relating to property and estate assets in the Carbon Reduction Management Plan

Property Maintenance

The Property department are responsible for all aspects of the maintenance of the estate, the exception being the waste management contract. The structure of the department requires the support of external consultants and contractors to ensure that all aspects are delivered to satisfy legal requirements and service operational requirements.

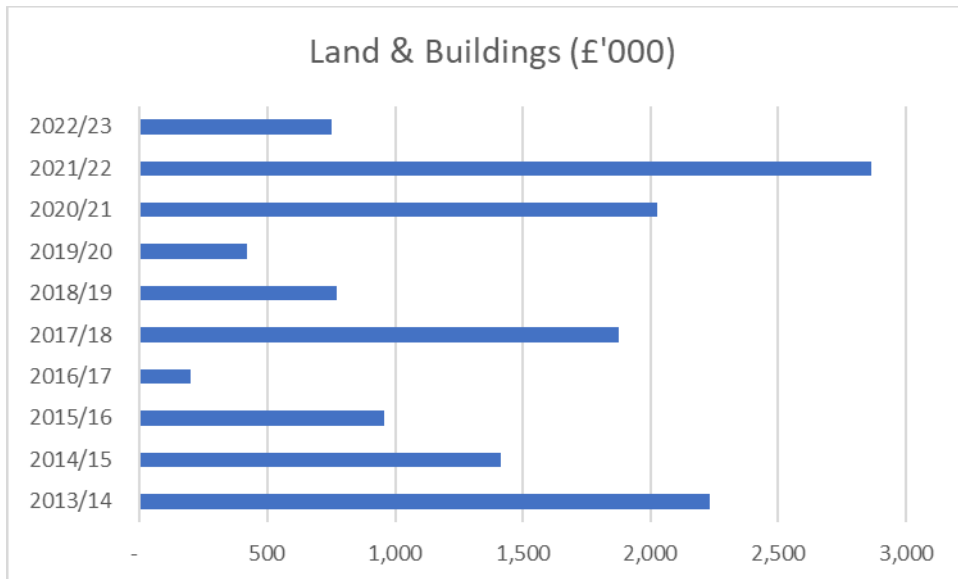
The annual running cost of the estate is in the region of £3.7m, this is funded from the revenue budget. The graph below summarises the budget and shows the proportion of the cost for service managed assets (excludes costs associated with PFI Stations).



Inflationary pressures have impacted significantly on these budgets and whilst we have increased budgets to keep in line with inflation we have seen inflationary increases over and above anticipated levels, particularly on energy and maintenance costs.

Property and Estate Assets Improvement

Improvement of our property and estate assets is funded from our capital budgets. Between 2013/14 to 2022/23 we spent over £13.5m as set out in the table below.



Whilst £13.5m is a significant investment in our property and assets over the last 10 years, our capital programme for the next five years is almost four times this level. During this period, we plan to build a new Headquarters, build a new Preston fire station and invest in our training centre props.

We will

- Procure, appoint and manage consultants and contractors that meet our Property and Estate Asset objectives.
- Undertake effective and efficient contractor management to ensure quality, compliance and value for money.
- Ensure adequate resilience and Business Continuity Plans are in place with essential maintenance service contractors.
- Ensure maintenance and planned works are prioritised to meet our Property and Estate Assets objectives.
- Maintain a rolling 10-year property and estate assets capital programme to inform strategic decision making and financial planning.

Achievements

We have undertaken an incredible amount of work in recent years to improve aspects of our property and estate assets to meet the demands of a modern fire service and collaboration opportunities, such as:

- £4 million investment in a suite of mechanical cleaning equipment for purpose-built breathing apparatus training centre to deliver consistent levels of equipment disinfection and hygiene. It includes a network of classrooms and workshop areas where delegates will learn how to prepare, operate and service self-contained breathing apparatus or SCBA. Facilities include a purpose-built dirty-to-clean layout designed to minimise the spread of, and exposure to, contaminants during the removal of equipment and changing out of personal protective equipment (PPE).
- Lancaster's new Community Fire and Ambulance Station collaboration sees fire and ambulance staff jointly accommodated in state-of-the-art facilities on the same site. Working and training so closely together naturally improves everyone's professional practice and leads to both performance improvement and financial efficiencies for the communities we serve, not just when we respond to emergencies but also in our continuing efforts to make our district safer through the work of our community teams.

Part 2 – Property and Estate Assets Strategic Aim and Objectives

The future of our property and estate will be determined by operational requirements, financial resources and service response to the risks in our communities.

The aim of the Estate Property & Estate Assets Management Strategy is to deliver property and an estate that supports the creation of positive, inclusive environments that are fit for purpose, encourage best practice, innovation and continuous improvement and promotes the right culture.

We need to provide a flexible and adaptable approach to the management of our property and estate assets that continues to deliver and improve operational effectiveness whilst responding to changing risks and resources.

Our property and estate assets will be measured against our four core objectives to inform the decisions made about our revenue and capital budgets and areas of focus.

We aim to have property and estate assets that are:

Objective 1 - fit for purpose.

To provide functional and fit for purpose facilities, constructed, refurbished and maintained to fulfil Service and legislative requirements and standards.

To ensure that our property assets support skills and training for both our staff and community resilience, providing suitable training and educational facilities.

Objective 2 - in optimal locations.

To provide assets that are in the optimal locations to achieve the Service Priorities outlined in the CRMP.

Objective 3 - provide a foundation for effective collaboration.

To provide assets that deliver better services and efficiencies through collaboration to deliver best value and engagement with Blue light partner agencies, Fire service support agency groups and local communities.

Objective 4 - are value for money and efficient.

To make the most efficient use of our property assets and manage our workspaces effectively, efficiently, reduce running costs and environmental impact and generate income including strategic rationalisation.

We will

- Establish and develop a Service Design Requirement document to ensure facilities are fit for purpose.
- Review the strategic location requirements for our estate assets to inform our capital investment programme.
- Engage and collaborate with Blue light partners, NFCC group leads and other agencies to maximise the estate assets.

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Part 3 - Property & Estate Assets Priorities

We aim to have property and estate assets to meet all our four core objectives:

- fit for purpose.
- in optimal locations.
- provide a foundation for effective collaboration.
- are value for money and efficient.

Whilst our primary focus is on ensuring our property and estate assets meet our four core objectives, we are constantly seeking to enhance and improve certain aspects of our property and estate assets for a modern fire service.

We have finite resources and therefore need to prioritise the enhancements and improvements we will make over the next 10 years. We have determined the priorities for enhancement and improvement of the property and estate assets over the next 10 years over and above our four core objectives are set out below:

High Quality Welfare and Dignity accommodation

Ensure that our Estate provides high quality welfare and dignity accommodation as standard. Upgrading facilities on stations where these are deemed to fall below acceptable standards.

We will

- Provide facilities that reflect a more diverse workforce.
- Deliver a programme of upgrades for Estates assets where standards are not acceptable.

Decontamination and Contamination reduction of our Estate

Understand the implications on our staff, and for our buildings, in relation to decontamination and contamination reduction.

We will

- Deliver a programme of upgrades to our facilities to meet National guidance, industry recommendations and standards in relation to the decontamination and contamination reduction on our Estate.

Safe and secure places of work

Ensure that our Estate provides safe and secure places of work for our staff, visitors and site sharing partners.

We will

- Deliver a programme of upgrades where the physical security arrangements on our Estate do not meet our aspirations.

Training facilities

Ensure that our Estate provides high quality training facilities which are aligned to the CRMP. Upgrading facilities on stations where these are deemed to fall below acceptable standards.

We will

- Review and improve the training props at our service training centre.
- Deliver a programme of upgrades where the training facilities available on station do not meet our minimum standards.

Office accommodation

Provide good quality office working environments that supports collaboration, provides modern accommodation and are fit for purpose.

We will

- Design, procure and construct a new Headquarters and Learning Development Centre.

Environment and Sustainability

To understand our long-term requirements for the reduction of our Carbon Emissions in relation to our Estate.

We will

- Deliver the actions in our Carbon Reduction Management Plan to decarbonise the estate.
- New Capital Building projects to achieve BREEAM rating.

Space Management

Ensure that our existing space is managed and utilised effectively and efficiently and meets the needs of the Service to deliver against Core Priorities and Core values.

We will

- Introduce a new function within the Property team to manage existing space.
- Develop and introduce a Space Management policy and standards in relation to Space Management
- Review space allocation on stations and identify any inefficiencies and opportunities.

Property and Estate Management Standards and Implementation

Ensure that our staff understand the function of the department and Estate Assets through a set of Property Standards.

We will

- Develop and implement a set of Property Standards to define the function of the department, Estate Assets and Contractors employed to undertake a range of services and minimum standards expected from our Property and Estate Assets
- Ensure that staff understand the Business Continuity arrangements in relation to the Estate.
- Develop a Property Asset Management Plan (PAMP) to deliver this strategy.

Part 4 Delivering our Strategy

There are a number of phases to our long-term Estates Asset Management Plan. Whilst we will continue to address the Property and Estates priorities outlined in Part 3 throughout the life of this strategy, particular focus will be given to projects funded in the Capital programme. These projects are outlined below:

Capital Programme

The projects identified in 10 year capital programme in Appendix A will be reviewed annually and are subject to CFA approval. They require significant investment by the Service to be successfully delivered to achieve long term aspirations. The completion of these projects will reduce future revenue funding requirements by reducing existing maintenance backlog, predicted future maintenance and running costs. They will ensure that Service has Estate assets that are Fit for Purpose and enable the Core Priorities and Core Values to be achieved, they include:

- Programme of works for Drill Tower Replacements at several fire stations.
- Blackpool Fire station accommodation upgrades.
- Redevelopment of Service Training Centre – Training Props and Facilities.
- Design and Construction of new joint Headquarters and Learning and Development Centre building.
- Preston Station redevelopment.
- Fulwood Station redevelopment.

Future Projects

A number of factors will influence future projects, including:

- Changes at Local and National Government level
- Changes to Service Governance
- Medium Term Financial settlement
- Ongoing review of CRMP / Service Plans
- Changes to risk profiles
- Outcome of Stock Condition Surveys
- Identification of requirements in connection with Aims and Objectives stated in Part 3

Governance and Implementation

LFRS Property & Estate Assets Management Strategy sets out our commitment with our staff, stakeholders, community and site sharing partners for the Service. It is owned by Executive Board (EB) who set the strategic objectives and agree the priorities for the Service with the Combined Fire Authority (CFA).

The EB ensure that sufficient resources are available to deliver this strategy and will provide strategic direction to ensure holistic and service wide approaches are taken in relation to decisions relating to the Estates assets.

The implementation of this strategy, and delivery of the PAMP, is the responsibility of the Head of Property. Delivery and performance are monitored through Capital Projects Programme Board and Corporate Programme Board.

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Appendix A

Property and Estates Capital Programme (based on 2023 – 2028 capital programme agreed by CFA February 2023) – TO BE UPDATED IN LINE WITH PROPOSED 2024 – 2034 CAPITAL PROGRAMME

£'m	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Estate Improvements	0.250	0.250	0.250	0.250	0.250					
Upgrade WYLFA Prop	0.125									
W30 – Blackpool Welfare	0.500	-	-	-	-					
Drill tower replacements	0.600	0.600	0.600	0.600	0.600					
Preston replacement station	-	5.000	5.000	-	-					
STC Props	-	2.500	2.500	-	-					
SHQ relocation	-	-	-	7.500	7.500					
	1.475	8.350	8.350	8.350	8.350					



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