LANCASHIRE COMBINED FIRE AUTHORITY

RESOURCES COMMITTEE

Wednesday, 28 June 2017, at 10.00 am in the Main Conference Room, Service Headquarters, Fulwood.

MINUTES

PRESENT:

Councillors

F De Molfetta (Chairman)
D Coleman
N Hennessy (Vice-Chair)
T Martin
D O'Toole
D Stansfield
M Tomlinson (for L Beavers)

Officers

C Kenny, Chief Fire Officer (LFRS)
K Mattinson, Director of Corporate Services (LFRS)
B Warren, Director of People and Development (LFRS)
J Bowden, Head of Finance (LFRS)
D Brooks, Principal Member Services Officer (LFRS)

1/17 APOLOGIES FOR ABSENCE

Apologies were received from County Councillors L Beavers and G Wilkins and Councillors F Jackson and T Williams.

2/17 DISCLOSURE OF PECUNIARY AND NON-PECUNIARY INTERESTS

None received.

3/17 MINUTES OF PREVIOUS MEETING

RESOLVED: - That the Minutes of the last meeting held on 29 March 2017 be confirmed as a correct record and signed by the Chairman.

4/17 EXTERNAL AUDIT - UNDERSTANDING HOW THE COMMITTEE GAINS ASSURANCE FROM MANAGEMENT

In order to comply with International Auditing Standards, the External Auditors, Grant Thornton was required to obtain an assurance as to how those charged with governance discharged their responsibilities in connection with oversight of the annual accounts process and financial reporting. The letter requesting this was considered by Members. A draft response prepared by the Chairman of the Resources Committee was also considered by Members. It was noted that the Audit

Committee had provided a similar response in connection with the risk of fraud and breaches of internal controls.

In response to Member queries the Director of Corporate Services provided reassurance that it was usual practice for the response letter to the external auditors to be prepared as a draft for consideration by Members at this meeting. Any changes approved by the Committee would then be incorporated into the letter before signing by the Committee Chairman.

RESOLVED: - That the Committee approve and endorse the submission of the response.

5/17 YEAR END TREASURY MANAGEMENT OUTTURN 2016/17

The report set out the Authority's borrowing and lending activities during 2016/17.

All borrowing and investment activities undertaken throughout the year were in accordance with the Treasury Management Strategy 2016/17, and were based on anticipated spending and interest rates prevailing at the time.

In accordance with the updated CIPFA Treasury Management code of practice and to strengthen Members' oversight of the Authority's treasury management activities, the Resources Committee received regular updates on treasury management issues including a mid-year report and a final outturn report. Reports on treasury activity were discussed on a quarterly basis with Lancashire County Council Treasury Management Team and the Director of Corporate Services and the content of these reports was used as a basis for this report to the Committee.

The Director of Corporate Services confirmed that the economic situation in the year was largely dominated by the uncertainty about the short and medium term implications of the decision in June 2016 to leave the European Union. In response to the risk of reduced economic growth, the Bank of England Monetary Policy Committee initiated a cut in bank rate to 0.25%, further gilt and corporate bond purchases and cheap funding for banks to maintain supply of credit to the economy.

The year had seen steady economic growth. Inflation remained low in the first half of 2016 but there had been signs of this increasing towards the end of the year with inflation measured at 2.3% at March 2017. Since the referendum vote the value of sterling had fallen and this was a significant factor behind the increase in inflation.

The year had seen significant volatility in the financial markets as a result of both the UK vote to leave the European Union (EU) and the election of the President of the USA. As a consequence of the uncertainty gilt yields fell, the UK's sovereign rated was downgraded to AA and the value of sterling fell. The impact of the negotiations to leave the EU would be a source of ongoing uncertainty.

Short term interest rates continued at historically very low levels. In response to a potential reduction in economic growth the Bank of England reduced the base rate from 0.5% to 0.25% in August 2016; a level it remained at throughout the rest of the year. The expectation during the year was that interest rates would remain low for the rest of the financial year and beyond.

Cash flow and interest rates continued to be monitored by the Director of Corporate Services and the County Council's Treasury Management team in order to inform future decisions on borrowing and investments.

There had been no new borrowing undertaken in the year in line with the continuation of the policy of using cash balances to fund capital expenditure which had resulted in no new borrowing being undertaken since 2007. In addition, the Authority had a policy to set aside monies in the form of statutory and voluntary minimum revenue provisions to reduce borrowing requirements end enable the repayment of debt as it matured. The estimated balance at 31 March 2016 was £5.682m and therefore during the year a maturing debt of £0.250m was repaid.

In response to a question raised by CC O'Toole on whether it would be prudent to use reserves to pay off some of the debt the Director of Corporate Services confirmed that exercises had been undertaken and reported to the Authority previously but that these had concluded that as a result of the premium associated with the early repayment of the debt this was not deemed to be cost effective.

Members requested the Director of Corporate Services bring a report to a future meeting setting out facts, figures, options and consequences of using reserves to pay off some of the debt.

Investments

Both the CIPFA Code and the CLG 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. Throughout the year when investing money the key aim was to strike an appropriate balance between risk and return.

Two long term investments were held with UK local authorities as outlined in the report. In addition, the Authority had access to the call account provided by Lancashire County Council which paid the base rate throughout 2016/17. Each working day the balance on the Authority's current account was invested in this to ensure that the interest received on surplus balances was maximised. The average balance in this account during the year was £32.4m earning interest of £0.105m.

The overall interest earned during this period was £0.305m at a rate of 0.72% which compared favourably with the benchmark 7 day notice index which averaged 0.36% over the same period.

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

In order to control and monitor the Authority's treasury management functions, a number of prudential indicators had been determined against which performance could be measured. The revised indicators for 2016/17 were presented alongside the actual outturn position.

RESOLVED: - That the Committee note and endorse the outturn position report.

6/17 YEAR END CAPITAL OUTTURN 2016/17

The report presented the year end position for the Authority's capital programme including how this had been financed, which showed total expenditure in year of £3.508m compared with a total budget of £8.823m with a slippage requirement of £5.354m which resulted in an overall overspend of £0.039m. The slippage was a timing issue dependent on the progress of capital schemes and not an indication of future underspends.

The year end capital outturn position, set out in appendix 1 also showed how the programme had been financed in year, from a combination of capital grant (£2.0m) and revenue contributions (£1.5m). Over the next five years the capital reserves, available to fund future capital programmes outlined in the report now presented, would leave a balance of £3.0m in capital reserves as at 31/3/22.

Under the prudential framework, the Authority was required to identify various indicators to determine whether the approved capital programme was affordable, prudent and sustainable. The revised indicators, after allowing for the various changes to the capital programme, which were set out in the report confirmed that performance had been within approved limits.

The estimated impact on band D council tax of the revised capital programme compared to the actual outturn figures was considered by Members and it was noted that the net impact was zero.

The original approved capital programme for 2017/18 was £8.179m which excluded any estimated slippage from 2016/17. This had been amended to reflect the final level of slippage of £5.354m therefore, the final proposed capital programme for 2017/18 was £13.534m which was funded from capital grant, revenue contributions, capital reserves and earmarked reserves. Full details of the programme and its funding were set out in Appendix 2 and considered by Members.

Revised prudential indicators for 2017/18 to 2019/20 showed that the revised programme remained affordable, prudent and sustainable.

The estimated impact of slippage on band D council tax was considered by Members and noted that there was no net impact in each of the 3 years.

RESOLVED: - That the Committee: -

i. Note the capital outturn position, the financing of capital expenditure 2016/17 and the prudential indicators, and
ii. Approve the revised capital programme, and the financing of this, for 2017/18.

7/17 YEAR END REVENUE OUTTURN 2016/17

The report set out the revenue outturn position, which fed into the Income and Expenditure Statement within the main Statement of Accounts and the impact of the revenue outturn position on the Authority's reserves.

The annual budget for the year had been amended to reflect a slight increase in the

Section 31 grant due in respect of localised business rates for the preceding financial year, which had been subject to reconciliation by CLG. This had resulted in an additional £0.012m of Section 31 grant being received in 2016/17. The outturn position showed a net expenditure of £55.556m against an updated budget of £55.623m giving a total underspend for the financial year of £0.067m.

As reported throughout the year, the Service had identified savings at the earliest possible opportunity following the completion of reviews. The final position within individual departments was set out in Appendix 1 with major variances summarised in the report.

The report identified total in-year efficiency savings of £2.502m compared with a target of £3.971m, performance exceeded the efficiency target, largely as a result of staffing savings made and procurement savings in respect of contracts let during the year.

The Authority held 3 specific revenue reserves: Devolved Financial Management, PFI Equalisation and Other Earmarked Reserves. The impact of the year end position on the reserves was set out in a table, as now presented and the following was noted: -

- Devolved Financial Management (DFM) reserves enabled budget holders to carry forward any surplus or deficit from one financial year to the next, giving greater flexibility in managing budgets thereby optimising the use of available financial resources and facilitating better value for money.

  The principles of DFM were that any overspends and 50% of any underspends were carried forward into the new financial year, subject to a £25k maximum, other than where a specific business case could be made. The remaining 50% of any underspend was transferred to the Authority's general reserve. The total DFM balance stood at £426k; full details by department were set out in Appendix 2;

- The PFI Equalisation Reserve was used to smooth out the annual net cost to the Authority of both PFI schemes and would be required to meet future contract payments. The level of reserves required was reviewed each year to ensure it was sufficient given changes in forecast inflation and interest rates. The reserves had been updated during the year, resulting in a revised balance of £3.5m;

- Other Earmarked Reserves were to fund a specific purpose. The overall reserves level had increased from £5.7m to £3.5m.

In addition, the General Reserve carried forward all surpluses and deficits that arose in year and was designed to cover uncertainties in future years' budgets; to meet short-term loss of funding and to provide flexibility in terms of medium-term financial planning. As a precepting Authority any surpluses or deficits were transferred into/out of reserves in order to meet future potential commitments, and as such the balance of the surplus on the revenue budget, £0.26m had been transferred into this reserve. After allowing for these the Authority now held a General Fund balance of £10.4m.

On an annual basis the Treasurer was required to report on the adequacy of reserves, given the risks faced by the Authority setting out the minimum (£2.8m) and maximum (£10.0m) level of reserves considered appropriate. Based on this position the current level of general reserves was slightly in excess of this, however the draft revenue and capital budgets for 2017/18 – 2020/21 included potential drawdowns in excess of £7m which would put this level of reserve at the bottom end of the target range.

In response to a query raised by CC Tomlinson concerning the terminology 'RDS bounty payments' (detailed on page 36 - other non DFM variance) the Director of Corporate Services confirmed that this was a previous retention system which provided an incentive for Retained Duty Staff to remain in the Service by paying a sum after 10, 15 and 20 years' service etc. The bounty payments had stopped when RDS staff had the opportunity to join the pension scheme. However, at the time that was introduced personnel had accrued different lengths of service and the rules provided they were entitled to the relevant proportion of the bounty that they had earned when the scheme ceased, which was paid once an individual reached the relative service anniversary. Hence an earmarked reserve had been set up to meet these costs.

In response to a question from CC O'Toole regarding whether the shortfall in staff had an impact on performance the Chief Fire Officer confirmed that the RDS system was nationally under pressure when you considered trends and availability. RDS stations were often in a rural area and people now worked further afield and therefore not available within 5 minutes of the station. Primary employers were less keen to release people and until recently we have had a recruitment freeze. Nationally there were problems but our RDS availability was one of the best in the country.

RESOLVED: - That the Committee:-

i. Agree the virement in respect of Section 31 grant receivable;
ii. Note the outturn position on the 2016/17 revenue budget as presented;
iii. Agree the proposed transfer of £14k to the Devolved Financial Management Reserve;
iv. Agree the proposed transfer of £97k to the Private Finance Initiative Equalisation Reserve;
v. Agree the proposed net transfer of £206k from Other Earmarked Reserves and the purpose of these;
vi. Note the increase of £258k in the General Reserve.

8/17 STATEMENT OF ACCOUNTS 2016/17

The report presented the Authority's Statement of Accounts and whilst the Statement took account of the information presented in the Year End Capital Outturn, Year End Treasury Management Outturn and Year End Revenue Outturn as previously presented on the agenda, the Statement of Accounts itself was prepared in line with recommended accounting practice. It was noted that this was not accounted for on the same basis as council tax and hence did not tie into the actual revenue position as set out in the Year End Revenue Outturn report. Furthermore this was a very complicated document.

The Statement of Accounts was subject to review by the Authority's external auditors, Grant Thornton. The review was scheduled to take place in June and July and a further report would be presented to the Audit Committee once this had been completed with the final Statement of Accounts re-presented to the Resources Committee for information.

The Statement had been signed by the Treasurer to certify that it presented a true and fair view of the financial position of the Authority as at 31 March 2017.

Under existing regulations the Chairman of the Committee approving the accounts had responsibility for signing and dating these. The aim of this requirement was to encourage audited bodies to produce timely accounts of a good quality and promote the concept of corporate governance.

The Statement of Accounts would be placed on deposit for public inspection in from Monday 19 June to Friday 21 July 2017.

The content and format of the accounts was as prescribed in the Code of Practice on Local Authority Accounting issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Authority's Statement of Accounts set out: -

Narrative Report
This sets out the financial context in which the Combined Fire Authority operated, and provides an overview of the financial year 2016/17 as well as details of future plans.

Annual Governance Statement
This reflected the position the Authority had reached in connection with corporate governance, including internal controls and risk management, including a review of the effectiveness of these arrangements, as reported at the Audit Committee in June.

Auditors Report and Opinion
This set out the Auditors opinion on the Statement of Accounts, and was subject to the results of the outstanding audit work which would commence in June.

Statement of Responsibilities
This set out the responsibilities of the Authority and the Treasurer in terms the overall management of the Authority's finances and in terms of the production of the annual accounts.

Comprehensive Income & Expenditure Account
This statement showed the accounting cost in the year of providing services. It was a summary of the resources that had been generated and consumed in providing services and managing the Authority during the last year. It included all day-to-day expenses and related income on an accruals basis, as well as transactions measuring the value of fixed assets actually consumed and the real projected value of retirement benefits earned by employees in the year. The format of this statement had changed since last year end to reflect reporting to management during the year, and the comparative years figures had been restated to reflect this

change. The main points of note were: -

- The cost of corporate services showed reductions when compared with the previous year largely as a result of reduced spend within the property department;
- Pension interest cost and expected return on assets related to adjustments required and was designed to show expected increase in costs of the scheme less the expected increase in asset values. However, as the Firefighters pension scheme was unfunded there was no increase in asset value to offset the increase in scheme costs resulting in a £23.3m charge to the Income and Expenditure Account;
- Page 48 detailed how the Authority raised funding through council tax and grants;
- Actuarial Gains/Losses on pensions assets and liabilities was a notional charge arising from the Actuary changing their assumptions on which future pensions liabilities were calculated, such as mortality rates, future interest rates, pay and pension increases, return on assets etc.

In response to a question raised by CC Martin regarding an increase in overheads (detailed on p47) the Head of Finance advised that this included payments made in year for the capital programme, the transfer of more money into the Capital Funding Reserve, increased depreciation charges and an impairment charge linked to the future demolition of Lancaster fire station.

In response to a question raised by CC Martin regarding the level of capital income grant (detailed on p 48), the Director of Corporate Services confirmed that the Service had been successful in a Government bid for capital grant for Lancaster Fire Station during 2015/16 and since that time there had been no more funding available to bid for.

In response to a question raised by CC O'Toole in relation available reserves the Director of Corporate Services confirmed that the total reserves (as detailed on the balance sheet on p81) was split between unusable and useable. The vast majority of unusable reserves was the pension reserve. This was a technical adjustment and not money the Authority could spend.

Cllr Coleman asked for clarification of the total earmarked reserves for 2016/17 (as detailed on page 105) of the report under notes 17 and 18 as the values were different. The Director of Corporate Services agreed to check and correct this before the Statement of Accounts was placed on deposit for public inspection.

RESOLVED: - That the Committee approve the Statement of Accounts; subject to the correction required to the value of Total Earmarked Reserves for 2016/17 (as detailed on page 105 in the report now presented).

9/17 FINANCIAL MONITORING 2017/18

The report set out the current budget position in respect of the 2017/18 revenue and capital budgets and performance against efficiency targets.

Revenue Budget

The overall position as at the end of May showed an underspend of £0.097m. It was noted that it was too early in the financial year for any trends in expenditure to be evident and that the situation would be closely monitored as the year progressed. The Committee was provided with detailed information regarding the position within individual departments with major variances related to non-pay spend and variances on the pay budget summarised as follows: -

Area	Overspend/ (Under spend)	Reason
	£'000	
Service Delivery	43	The overspend related to various headings, such as uniforms, training props for stations, and furniture, the majority of which were timing related and were expected to even out as the year progressed.
Training & Operational Review	55	The overspend related to the timing of committed spend for training courses taking place later in the financial year, and was therefore a timing issue, rather than an anticipated outturn position.
Pay	(172)	In terms of the underspend to date, this was broken down as follows: • Wholetime pay (£50k underspend) this partly related to the number of early leavers in the year, whereby 4 personnel had left earlier than anticipated, whereas the budget allowed for just 2. With the balance of the underspend relating to the timing of costs of ad hoc payments such as overtime and public holidays. • Retained pay (£70k underspend) reflected the two month delay in implementing the new RDS pay scheme, as previously reported. • Support staff pay (£50k underspend) related to several vacant posts across various departments, which were in excess of the vacancy factor built into the budget. Recruitment for the majority of these vacancies was currently underway, however it was likely that this underspend would increase, albeit at a slower rate, as the year progressed until such time as we return to full establishment.

Capital Budget

The Capital Programme for 2017/18 stood at £13.533m, after allowing for slippage of £5.354m, as reported elsewhere on the agenda.

A review of the programme had been undertaken to identify progress against the schemes as set out in the report. Appendix 2 set out the capital programme and the expenditure position against this, as reflected in the report. The costs to date would be met by both capital grant and revenue contributions. Members also noted that during May the surplus land at Valley Road, Penwortham was sold, bringing a capital receipt of £0.070m which could be used to fund future capital programmes.

Delivery against savings targets

The annual target stood at £1.55m. To date £0.5m of savings had been delivered. The performance to date was slightly ahead of target, a combination of the underspend on salaries for the first two months, plus savings in respect of procurement activities during the same period. It was anticipated that the efficiency target would be met for the financial year.

RESOLVED: - That the Committee note the financial position.

10/17 WORKFORCE PLANNING

The Director of People and Development tabled a report which updated Members on the current position in respect of recruitment activity and the measures being taken to improve the process to assist in meeting: ongoing positive action campaign requirements; the nurturing of candidates; the amendment of processes whilst maintaining appropriate standards and the ongoing consideration of the role of apprentices. Members considered the report in detail.

The workforce currently stood at an establishment of 1,242 with slight increases in both BME, female and disabled employees since 2010; but the Service work profile remained unrepresentative of Lancashire's community. On occasions when undertaking previous recruitment campaigns the Service had been able to reflect the community, for example the 50 Community Fire Service Practitioners was totally representative. However, when aggregated within the whole establishment, this only reflected a slight overall improvement. Of necessity the Retained Duty System (RDS) recruitment reflected the RDS catchment area which was not representative of Lancashire, and the Service had not undertaken any significant wholetime firefighter recruitment for many years prior to this year due to the demands imposed by the austerity measures.

The current recruitment activity was predicated on an ongoing desire to maintain our current operational strength and this meant the Service originally envisaged a recruitment of a further circa 60 firefighters to maintain this level with recruitment in June (36) and January 2018 (24). Further recruitment programmes would be run on an annual basis. This followed a recruitment exercise focused purely on RDS which resulted in 27 new recruits for the wholetime in November 2016. The actual numbers to be recruited would be adjusted through the campaigns to reflect altered demand, retirement and other leavers to meet the overall requirement in the long term.

This recruitment activity would be supplemented by an apprenticeship programme following the imposition on all public bodies of an apprenticeship target of a minimum of 2.3% of headcount annually which equated to a target of 29 apprentices; with a requirement to report on achievement against the target annually from September 2018. Steps had been taken in respect of support staff to consider the role that apprentices could undertake and an opportunistic approach was currently being adopted with all positions under grade 4 being considered for possible apprenticeships as they fell vacant with identification of specific areas of additional need such as in ICT.

The associated Apprenticeship levy was implemented with effect from 6 April 2017 which, based on our current pay bill, equated to £150k. The Service was currently continuing to determine the best way of drawing down from this levy, but the approach would be a combination of support staff apprentices, coupled with higher level apprenticeship training for existing staff and recruiting firefighter apprentices once the issues around the framework to be utilised were clarified. An allocation of £180k had been identified in the budget and more detailed proposals would be brought to a later meeting of the Resources Committee about the utilisation of these funds. Due to uncertainty around the appropriate mechanisms it was feasible that the full allocation would not be utilised in year. If this should occur it was proposed to carry any unspent amount including any set up provision amounts forward as an earmarked reserve as the programmes would require the funding.

The intent was to provide meaningful routes into employment within LFRS and career prospects for young individuals with skills and attributes which would enhance our organisation.

<u>Recruitment</u>
As the Authority had previously sanctioned, the Service had commenced an ongoing programme of recruitment with primacy being given to meeting the appropriate standards, improving the diversity of our workforce and providing an opportunity for our RDS staff to successfully apply for wholetime roles.

The Director of People and Development advised that the endorsed approach had delivered 27 transferees from RDS in 2016. This was as a bespoke programme to address immediate need whilst enabling positive action to be instigated in advance of subsequent recruitment.

Of the 32 on the current recruits' course, 12 emerged from RDS employment, while 5 of the 17 scheduled to attend the recruits course commencing in January 2018 were from the RDS. This demonstrated that the standards required had not adversely affected RDS employees (indeed the role naturally gave an opportunity to demonstrate examples of suitability). Also there were instances where individuals had used the full time standard as a spur to improve their RDS involvement and future employability (driving and enrolment on educational courses being examples). However, this level of success was unlikely to be repeated hence the proposal for additional support. In effect 44 out of the total of 76 personnel recruited have emerged from the RDS grouping. Transferring this level of resource from our RDS establishment did have performance and organisational issues which increased demands on the Service. In many respects this was a harder recruitment challenge than wholetime exercises. A number of individuals transferred had given a dual contract commitment but this was normally with a reduction in RDS hours of cover and the impact had been felt. Whilst it was believed this would act as a spur for future RDS recruitment this benefit had not been seen yet.

Changes in process

The Service had reviewed the whole process to ensure today's and anticipated future fire service was reflected in the person and job specifications. Similarly the Service considered and adopted some positive action initiatives to facilitate recruitment from underrepresented groups, whilst the key determinate remained meeting the Services' standard.

The result from the current campaign was 32 recruited in June and potentially 17 in January 2018. The standard of successful recruits' attainment was high. However the level of underrepresented groups had been disappointing with 3 BME and 5 females being within the 32 new entrants, with one BME candidate commencing in January. The campaign was targeted to improve our diversity and to ensure the anticipated number of applications could be managed. In reality the actual number of applications was lower than anticipated and the rigid standards, set in anticipation of the volume expected, were such that the desired ability to finally select on behaviours was reduced. It was intended to allow some flexibility in future campaigns without compromising the actual standards. The processes had therefore been reviewed to identify improvements.

The main change was to adopt the national fitness standards (as opposed to the higher LFRS standards) as the threshold to provide some potential flexibility in final selection. The Service, based on previous experience, had used higher fitness standards than other services or the national standards required. This had had the consequence of reducing the level of failures on the intensive recruits training programme that immediately followed employment. The decision was also previously influenced by the firefighter pension scheme provisions. In this instance the application of the higher fitness standard had an effect on reducing the numbers to a smaller cohort but potentially had an adverse effect on females. It was proposed to adopt the national standard on the next campaign, but to continue to assess individuals' overall fitness.

Similarly the equipment assembly element of the process had a significant effect on failure rates, including female applicants and therefore whilst the Service still believed the requirement was genuine it was intended to consider an alternative dexterity test rather than the current slightly out of context measure. In addition whether a new test or the current test was used the current practice of a strict pass/fail standard would be modified to give a tolerance. Neither, the ability tests or standard of educational attainment warranted any reduction in standard. The general principle was to allow flexibility so that one slight fail would not unnecessarily rule out a candidate, when the shortfall could be addressed.

To further assist RDS employees and to potentially address any shortfall in overall operational numbers, it was proposed to offer the opportunity for development contracts of 6 months duration. The purpose was to enable individuals to address any operational gaps that they might have. Experience had shown that the gap in the requirements between an RDS and whole-time employee could be significant and this had endorsed the previous decision for all individuals to undertake the full recruitment course as planned rather than a variance on the abridged conversion course undertaken by the 27. The utilisation of development contracts did not provide automatic progression but should enable an individual to enhance their experience ensuring some continued progression from RDS to wholetime.

A separate review of our positive action campaigning initiatives was being undertaken but the emerging themes were that this needed to be a continuous part of our operations and not a bespoke activity as we recruit. The actual generation of applications from underrepresented groups as a percentage was good; but it was considered that the higher pass figures adopted to manage numbers did not give any flexibility in approach, that a ‘nearly there’ list needed to be collated and nurtured.

It was noted that the results experienced by LFRS were similar to other Fire services and demonstrated the need for the development of solutions that worked within LFRS, working in partnership where benefits were seen.

<u>Shortfall in Numbers</u>
Serious consideration was given to revisiting the applications in order to generate further successful candidates but this was not seen as desirable in view of the messages that would send to the organisation, especially those who were still aspiring or felt concerned about the process, the fact that individuals had already been notified, practicality and the stance the Service had adopted concerning attainment of the standards. Also depending on the actions taken we would either potentially be moving into positive discrimination or revisiting the whole recruitment process. Similarly consideration was given to immediately embarking on a further recruitment campaign coupled with more positive action work. However this was seen to be unrealistic due to the limited resource and time available (as well as the effect on morale in view of the dedicated efforts that individuals had put in) and that the positive action needed to be part of the process if the diversity issue was to be addressed. The outcome was to focus on positive action and nurturing the nearly there candidates and provide opportunities and feedback to our current employees to gain skills.

In response to a concern raised by CC O’Toole regarding whether the initial 27 recruits, from the RDS staff had all achieved the required fitness standard the Director of People and Development confirmed that they had; although there had been a concession where psychometric tests (verbal, numeric and flexibility) had been used rather than educational requirements. Going forward both psychometric and educational requirements were expected.

In response to a question raised by CC Hennessy about the number of females in the Service the Chief Fire Officer confirmed that positive action had been used to encourage people from areas where there was a shortfall in the workforce and there had been a good proportion of BME and female applicants but the standards had to be met. The Director of People and Development added that progression for females was good; the difficulty was receiving applications in the first place. It was noted that the Chief Fire Officer was now leading on Equality, Diversity and Inclusion for the Service together with Cllr Z Khan the new Member Champion for this area.

RESOLVED: - That the position including the ongoing work undertaken in respect of apprentices and the measures being adopted in respect of recruitment be noted.

11/17 DATE OF NEXT MEETING

The next meeting of the Committee would be held on Wednesday 27 September 2017 at 1000 hours in the Main Conference Room at Lancashire Fire and Rescue Service Headquarters, Fulwood.

Further meeting dates were noted for 29 November 2017 and 21 March 2018 and agreed for 13 June 2018.

12/17 EXCLUSION OF PRESS AND PUBLIC

RESOLVED: - That the press and members of the public be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph of Part 1 of Schedule 12A to the Local Government Act 1972, indicated under the heading to the item.

13/17 HIGH VALUE PROCUREMENT PROJECTS

(Paragraph 3)

Members considered a report that provided an update on all contracts for one-off purchases valued in excess of £50,000 and high value procurement projects in excess of £100,000 including: new contract awards, progress of ongoing projects and details of new projects with an anticipated value exceeding £100,000.

RESOLVED:- That the Committee note the recommendations as outlined in the report.

14/17 URGENT BUSINESS (PART 2)

Development of Preston Fire Station
(Paragraph 3)

RESOLVED:- Members approved the capital investment proposed by the Director of Corporate Services to support the development of joint premises with NWAS at Preston.

M NOLAN
Clerk to CFA

LFRS HQ
Fulwood