

LANCASHIRE COMBINED FIRE AUTHORITY

RESOURCES COMMITTEE

Wednesday 30 March 2016 in the Main Conference Room, Service Headquarters, Fulwood commencing at 1000 hours

PRESENT:-

County Councillors

T Aldridge (Vice Chairman)
A Barnes
C Crompton (for A Matthews)
F De Molfetta (Chairman)
M Green
G Gooch
D Stansfield (for D O'Toole)

Blackpool Council

F Jackson

Officers

C Kenny – Chief Fire Officer (LFRS)
D Russel – Assistant Chief Fire Officer (LFRS)
B Warren – Director of People and Development (LFRS)
J Bowden – Head of Finance (LFRS)
Kim Larter – Deputy Head of Procurement (LFRS)
D Brooks – Principal Member Services Officer (LFRS)

APOLOGIES FOR ABSENCE

Apologies were received from County Councillors D O'Toole and T Burns and Councillors A Matthews and T Williams.

DISCLOSURE OF PECUNIARY AND NON-PECUNIARY INTERESTS

None received.

MINUTES OF THE LAST MEETING HELD ON THE 27 NOVEMBER 2015

27/15 RESOLVED: That the Minutes of the meeting held on the 27th November 2015 be confirmed as a correct record and signed by the Chairman.

FINANCIAL MONITORING 2015/16

The report set out the current budget position in respect of the 2015/16 revenue and capital budgets and performance against savings targets.

Revenue Budget

The overall position as at the end of January showed an underspend of £1.150m. The current underspend was the result of the Authority continuing to identify savings at the earliest possible opportunity pending the completion of reviews, and therefore holding vacancies in advance of planned future establishment reductions. These had also been reflected in the budget for the next financial year. We were currently forecasting a year end overspend of around £0.6m. This allowed for the payment of £3.2m to offset the existing deficit on the Local Government Pension Scheme (as agreed at February's Authority meeting), net of underspends identified in the report and the £1m underspend in relation to budgeted firefighters' pension contributions.

The Committee was provided with detailed information regarding the position, along with the forecast outturn variances within individual departments as summarised below: -

Area	Over/(Under) spend at 31 Jan	Forecast Outturn	Reason
	£'000	£'000	
Fleet & Technical Services	(7)	(8)	The position at January included committed spend on hydrant repairs and new installations due to be done, reduced by underspends against vehicle repairs, fuel and tyres. These underspends were expected to continue for the rest of the year, however the year end outturn would depend on the extent to which outstanding hydrant works were completed before 31 March. Due to the current uncertainty, we were forecasting a roughly break even position.
Property	231	77	The majority of the overspend to 31 January related to property repairs and maintenance works, roughly half of which was ordered but not yet carried out (£117k), and was largely therefore a timing issue, rather than an expected outturn position. Although we were expecting there will be some overspend on R&M.
Service Delivery	(219)	(302)	The underspends here related to a combination of: <ul style="list-style-type: none"> • smoke detectors, due to the large stock held at 31 March and changes to the HFSC process; • smaller underspends against a large number of budget headings which had been adjusted for in next years' budget; less • Wattbikes purchased during the first quarter. <p>These underspends were expected to continue for the rest of the year.</p>

Non DFM	(87)	2,098	The majority of the underspend to January related to bank interest receivable in excess of that budgeted, which would continue for the rest of the year. It should be noted that we continued to benefit from fixed term deposits placed just over a year ago when interest rates were highest. The outturn position reflected the agreed payment of £3.2m off the LGPS deficit, reduced by the £1m over-provision for pension contributions, as referred to above.
Pay – Whole-time	(521)	(608)	Whole-time pay underspend to January related to a combination of the timing of costs of ad hoc payments such as overtime and public holidays, and the differences between the expected staffing numbers versus the actual staff in post. The previous trend of personnel leaving without accruing full pension benefits had continued resulting in the vacancy as outlined above. All these would be monitored closely for the rest of the financial year.
Pay - RDS	(142)	(170)	Retained pay underspend to January related to vacant hours of cover across many fire stations, which was forecast to continue until vacancies were filled during the year by the RDS recruitment campaigns which run frequently.
Pay – Support Staff	(294)	(327)	Support staff pay underspend to January related to continued vacancies, largely within fire safety as posts were held vacant pending the outcome of the ongoing Prevention and Protection Review.

The final year end overspend would be offset by a draw down from the general reserves, as agreed by the Authority at the February budget setting meeting.

Capital Budget

The Capital Programme for 2015/16 stood at £9.325m. The programme had been adjusted to reflect the reduced costs of the Lancaster Fire Station project, relating to the decision to remain on the current site rather than purchase an alternative, which would have been funded from capital reserves.

A review of the programme had been undertaken to identify progress against the schemes as set out below: -

	Committed spend to Jan 16 £m	Forecast Slippage Into 1617 £m	
Pumping Appliances	1.600	-	Committed spend to date related to:- <ul style="list-style-type: none"> £0.674m - completion of the 5 pumping appliances from the 2014/15 capital programme, which have been delivered.

			<ul style="list-style-type: none"> £0.926m - the purchase of 5 pumping appliances for the 2015/16 programme, which were currently in build and anticipated to be delivered by March 2016.
Other vehicles	1.319	(0.095)	<p>Committed spend to date related to:-</p> <ul style="list-style-type: none"> £1.073m – the purchase of two Aerial Ladder Platforms (ALPs), delivery January 2016. £0.246m - delivery of various support vehicles from the 2014/15 and 2015/16 capital programmes. <p>The balance of the budget related to:-</p> <ul style="list-style-type: none"> the replacement of various support vehicles which were either already ordered, or being reviewed prior to replacement. <p>Forecast slippage related to four support vehicles currently expected to be purchased in the next financial year.</p>
Building Modifications	0.774	(2.479)	<p>Committed spend to date related to:-</p> <ul style="list-style-type: none"> £0.116m – for works at STC, including provision of a back-up generator to enhance business continuity arrangements across the site and major roof repairs, as reported at last year’s Resources Committee. £0.130m – for the completion of the Day Crewing Plus (DCP) build at Bamber Bridge. £0.642m – for design costs and construction stage payment in respect of DCP build at Skelmersdale. <p>The balance of the budget related to:-</p> <ul style="list-style-type: none"> Ongoing construction of the new DCP facility at Skelmersdale which is now complete. completion of the remaining items of capital works at the Training Centre site in order to make the site fit for purpose, as reported to Resources last year, such as works to water and hydrant main, general site improvements. provision of a replacement for Lancaster Fire Station, incorporating a joint Fire & Ambulance facility, where the building works were expected to commence shortly. the final elements of the refurbishment works at Barnoldswick. refurbishment works at Carnforth fire station, where plans were being finalised prior to a tender exercise being undertaken. <p>Forecast slippage related to the Lancaster rebuild, Carnforth refurbishment, plus works at the Training Centre as referred above.</p>

IT systems	0.114	(0.161)	<p>Committed spend to date related to:-</p> <ul style="list-style-type: none"> • £0.087m - the asset management system to replace systems previously provided by Lancashire County Council in relation to vehicles, equipment and stores. The implementation was underway, with phased go live dates across various modules planned to begin from the end of October. • £0.024m – a replacement training database had been ordered, anticipated go live was at the start of the new financial year. <p>The balance of the budget including any forecast slippage related to:-</p> <ul style="list-style-type: none"> • the replacement of various systems, in line with the ICT asset management plan, most significantly CFRMIS, which allowed for a potential replacement system, or an upgrade of the existing product. Work had not yet begun on this project. <p>It was noted that replacement ICT systems were reviewed prior to starting the replacement process.</p>
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Appendix 2 set out the capital programme and the expenditure position against this, as reflected above. The committed spend to date would be met largely by revenue contributions and capital reserves, with capital grant funding the costs of Skelmersdale DCP and a proportion of Lancaster Rebuild.

Delivery against savings targets

The current position on savings identified during the budget setting process, was reported. The performance to date was ahead of target due to a combination of the underspend on salaries for the first part of the year, plus savings in respect of procurement activities during the same period, less the current overspend position against property repairs and maintenance. It was anticipated that we would meet our savings target for the financial year.

28/15 RESOLVED: - That the Committee note the financial position.

WORKFORCE PLAN

The Director of People and Development presented the current version of the Workforce Plan which set out the Lancashire Fire and Rescue Service (LFRS) objectives based on the organisational context, structure and workforce profiles. The report also detailed labour demand, turnover and forecasting together with recruitment, retention and succession planning and talent management. The document brought together in one place the strands that are already utilised within the Service to determine its workforce plan.

LFRS had developed the Workforce Plan to support its improvement and ability to respond to the changing environment in which it operated, to ensure that the right people were in the right roles and to develop a better understanding of what sort of workforce was likely to be needed in the future to fulfil the demands for the Service. The focus for the plan during 2016 would be those job roles where there was the greatest number and highest risk ie: roles that focussed on the LFRS major functions of Prevent and Protect, Respond and National Resilience.

Members considered the Workforce Action Plan, as now presented. It was noted that the Action Plan would be reviewed regularly in light of changes to the political, economic, sociological, technological and legal environment. It would also be updated in light of any change projects which impacted on the LFRS workforce and monitoring would be undertaken by the Workforce Development Programme Board.

In response to a question raised by CC Green, the Director of People and Development confirmed that sickness absence per employee information was available and that staff absence was reported to the Performance Committee.

29/15 RESOLVED: - That the Committee note and endorse the development of the Workforce Plan.

RECRUITMENT

The Director of People and Development presented a report to Members on the proposed approach to the recruitment of whole-time staff following the Authority's approval to do so in agreeing the revenue budget at its meeting in February 2016.

During 2016/17 LFRS was proposing to recruit up to 30 individuals which would potentially be replicated in future years depending on future needs. In view of the significant changes in the demands and role of a firefighter since the last recruitment campaign, almost a decade ago, the processes and specification for recruitment needed to be refreshed. To drive the recruitment process forward a Task and Finish group had been established.

The role of a firefighter had evolved since the last recruitment campaign and the skills and attributes required to successfully cope with the demands of the role had changed. These were being finalised and recognised: the greater community role, the higher fitness standards necessary, the increased standard of education required and the level of medical clearance necessary.

LFRS wished to recognise the commitment of staff conditioned to the Retained Duty System (RDS) and to offer them a route to be considered for transfer; providing they met the LFRS Point of Entry Selection Tests (POESTs) for firefighters. Having a single standard was understood within LFRS and provided reassurance to whole-time staff and the representative bodies that standards were not being compromised. Therefore RDS staff would be assessed against the required criteria. However, in terms of some of the additional criteria identified, there was potential to relax these where an ability to undertake that element could be demonstrated in their existing role. For example, an external applicant would be required to have an educational standard of at least 4 GCSEs including English and Mathematics but an RDS individual could be allowed an easement on that criterion if they had a good performance in the ability tests as they were already undertaking a very similar role. Similarly if they were already achieving the internal fitness standard (which was also the national standard) then no further requirements would be placed on them. They would also have the advantage of LFRS having knowledge of their current performance in the retained role. It was accepted that if the LFRS criteria for external recruitment was used without an adjustment in open competition, this might preclude a large proportion of RDS staff interested in transferring from succeeding. This was not seen as a desirable outcome, potentially disenfranchising a proportion of the workforce and discouraging members of the general public from taking up future retained employment.

It was proposed to undertake this year's recruitment exercise on a twin track basis: -

- Firstly to consider the RDS staff first as transfers on the proviso they met the POESTs criteria;
- Then an external process for the residual numbers and subsequent tranches.

Members discussed the RDS process which replicated that used in 2007/08. It was recognised that difficulties would arise if all the recruits came from the RDS. Recruitment into RDS positions was challenging for the Service and transferring individuals to the whole-time would impact on RDS appliance availability and / or incur more detachments to keep appliances on the run. It was noted that this would be partly offset by encouraging / requiring staff to maintain dual contracts covering at least part of their existing RDS commitment. However a clear desire existed to give current staff the opportunity to apply for whole-time posts. In response to a query from CC Barnes as to whether all the posts would be filled by the RDS staff the Chief Fire Officer confirmed that that recruitment numbers would be determined by the required standards being demonstrated in the process and not by arbitrary quotas.

If the remaining vacancies justified external recruitment, the process would be rerun as an open process for external candidates with full application of the requirements and additional desirable factors being taken into account. If the number outstanding did not justify an external recruitment campaign, then the outstanding vacancies would be rolled over and included in the next recruitment campaign. Future recruitment would be undertaken on an open competition basis with LFRS expecting that the entry level standards would be met in full, as all staff would be clear on the standard required.

Members noted that the Government was consulting with the public sector on apprenticeship intakes. A potential target of 2.3% of the headcount, 1,245 (not full time equivalent) would equate to 29 individuals per year being required which might impact on future firefighter recruitment plans.

30/15 RESOLVED: - That the Committee note and endorse the twin track approach adopted and note the actions taken in respect of external recruitment.

SERVICE HEADQUARTERS PLANNING PERMISSIONS

The Authority had previously agreed to put the relocation of Service Headquarters (SHQ) on hold until 2018/19 due to a lack of clarity in terms of government plans for the future of Fire and Rescue Services and forecast funding (resolutions 24/13 and 60/13 refer). Whilst the position on funding had become clearer the situation in terms of future plans and the impact of these on any potential relocation had not. The impact of the transfer from the department of Communities and Local Government to the Home Office was still to be determined. The Policing and Crime Bill was currently going through Parliament which set out the duty to collaborate and the potential governance arrangements relating to the Police and Crime Commissioner's involvement in the potential running of the Service.

Despite this it was re-iterated that the current SHQ building was far from ideal both in quality and layout. Neither was it efficient to have a separate SHQ and large training centre site. It was also acknowledged that the position in terms of costs of the scheme would not have changed significantly in that, even after allowing for anticipated sale proceeds from the existing site and despite efficiency savings in terms of maintenance, energy and removal of the dual running of facilities, it was still a more expensive option than remaining in the current building, but allowing for some minor refurbishment of them. However given the lack of clarity

on future governance and collaboration it was still felt that there remained too much uncertainty to resurrect the SHQ relocation project at the present time.

As part of the redevelopment proposals relating to the Service Training Centre site the Authority had obtained two separate planning permissions: i) an outline planning approval to a master plan for the whole site; and ii) a Reserved Matters planning approval for the agreed SHQ build: -

Outline Master Plan Approval

An outline planning approval to a master plan included an outline approval for a given square meterage of “development”, which included the new SHQ, the new Stores building and a training building. This provided sufficient scope to meet anticipated future redevelopment requirements.

This permission was granted in 2011 and was valid for 10 years until June 2021. If building work did not start on the site by then this permission would need to be renewed, otherwise all rights to develop the site further would be lost; due to its green belt nature, unless we proved “exceptional circumstances”. As such this still gave sufficient time to re-evaluate our options in 2018/19, seek appropriate detailed planning permissions and commence re-development works ahead of the deadline.

Reserved Matters Planning Approvable For The Agreed SHQ Build

The planning approval for SHQ was a Reserved Matters approval to an element of the outline approval, the reserved matters in the case of this building related to specific plan layout, choice of materials and the like that formed part of the architects design for the new SHQ. This approval was granted in September 2013. One of the conditions of the approval was that the proposed development must begin not later than three years from the date of this permission, meaning that the permission is only valid until 23 September 2016.

This left the Authority with three options:-

- Commence work on building a new SHQ;
- Allow the permission to lapse;
- Seek an extension to the existing permission.

Members discussed the options as presented:

Commence work on building a new SHQ

Whilst the position in terms of future funding had become clearer with the latest Local Government Finance Settlement including indicative four year figures, the situation on future governance, and the need to collaborate still remained unclear.

In light of this and the Authority agreeing to put the project on hold until 2018/19 no further development work had taken place, and hence the Authority was not in a position to commence any works by September.

Seek an extension to the existing permission

If the Authority still wanted to build exactly the same building a renewal of the permission would need to be sought. However an extension to the existing permission was only suitable if it was intended to build exactly the same building as previously approved. If it was agreed to proceed with a new SHQ which was different to the approved plan then the existing approval would not cover this and a new reserved matters approval would need to be sought.

Given changes within the Service, it seemed extremely unlikely that the build would need to be exactly the same building given staffing numbers had changed and office layouts would need to be amended to reflect some of the changes that had taken place (such as Contact Centre, Centralised Admin Hub) and it would need to be considered whether the demolition of Lancaster House remained the optimum solution etc.

Allow the Permission to Lapse

If the existing permission was allowed to lapse then any subsequent plan to build a new SHQ would require a new reserved matters approval. Given the existing site master plan approval which ran till 2021 it was felt that a new application would be viewed positively by the planners, as was the previous submission.

Given the changes in the service discussed, any new SHQ would undoubtedly be smaller than the current approved plans, and hence it was felt that the existing approval should be allowed to lapse and that a new approval should be sought at the appropriate time, if the relocation went ahead at some future point.

In response to a question from CC Green it was agreed that the wording of the Reserved Matters Planning Approval be checked to ensure that if allowed to lapse it did not mean the outline planning permission also lapsed.

31/15 RESOLVED: - That the Committee approve for the reserved matters planning permission to lapse; subject to this not affecting the outline planning permission, and a new approval be sought as appropriate.

DATE OF NEXT MEETING

The next scheduled meeting of the Committee was agreed for Wednesday 29 June 2016 in the Main Conference Room, Service Headquarters, Fulwood, commencing at 1000 hours.

Further meeting dates were noted for 28 September 2016 and 30 November 2016.

EXCLUSION OF PRESS AND PUBLIC

32/15 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.

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.

33/15 RESOLVED: – That the Committee note and endorse the recommendations as outlined in the report.

LFPS HQ
Fulwood

M NOLAN
Clerk to the Authority