

LANCASHIRE COMBINED FIRE AUTHORITY

RESOURCES COMMITTEE

Wednesday, 23 September 2020, at 10.00 am in the Virtual Meeting accessible via MS Teams and YouTube (as a live webcast).

MINUTES

PRESENT:

Councillors

F De Molfetta (Chairman)
S Blackburn
I Brown (for G Wilkins)
N Hennessy (for M Pattison)
Jane Hugo
Z Khan (for T Martin)
D O'Toole
T Williams

Officers

J Johnston, Chief Fire Officer (LFRS)
K Mattinson, Director of Corporate Services (LFRS)
B Warren, Director of People and Development (LFRS)
J Charters, Area Manager, Head of Service Development (LFRS)
J Bowden, Head of Finance (LFRS)
D Brooks, Principal Member Services Officer (LFRS)
N Bashall, Member Services Officer (LFRS)

76/19 APOLOGIES FOR ABSENCE

Apologies were received from County Councillors Tony Martin, Lorraine Beavers, Margaret Pattison, David Stansfield and George Wilkins.

77/19 DISCLOSURE OF PECUNIARY AND NON-PECUNIARY INTERESTS

None received.

78/19 MINUTES OF THE PREVIOUS MEETING

RESOLVED: - That the Minutes of the last meeting held on 27 November 2019 be confirmed as a correct record and signed by the Chairman.

79/19 YEAR END REVENUE OUTTURN 2019/20

The Director of Corporate Services presented the report. He advised that the lengthy agenda was due to the cancellation of the March and May meetings.

This report presented the revenue outturn position and the impact of this on usable reserves. The overall outturn position showed an overspend of £248k after allowing for the potential costs of backdating for pensionable allowances (the impact of this was reported in the Year End Usable Reserves and provisions Outturn later on the agenda).

The annual budget for the year was set at £56.051m. The final outturn position showed net expenditure of £56.300m, giving a total overspend for the financial year of £248k. As set out in the Year End Usable Reserves and Provisions Outturn report (reported elsewhere on the agenda) it was proposed to transfer £38k to the DFM earmarked reserves and to balance draw down £286k from the general reserve.

The final position differed from the forecast of £0.1m underspend in the November meeting due to:

- In March confirmation was received from Ministry of Housing, Communities and Local Government (MHCLG) that the previously reported potential shortfall of £0.273m Section 31 grant relating to Business Rates Relief for 2019/20 would be paid and the sum was received in March.
- The National Business Rates (NDR) Levy fund surplus allocation income being paid to LFRS before the end of the financial year. The NDR Levy Fund was created by the Government to fund business rates safety net grant payments from previously held back NDR monies, any unused funds were now being redistributed, with LFRS receiving £53k. (Notification of this was received at the end of February, with no prior indication).
- The national government exercise to audit the Section 31 grants in relation to Business Rates Reliefs for 2018/19 had now been completed, and as a result the Authority would receive a further £40k from Central Government in relation to this. (Confirmation of this was received at the end of February, with no prior indication of this amount).
- It had been previously reported that any costs of backdating pensionability of various allowances had not been included as it was anticipated this would be applicable in 2020/21. Subsequently, the Authority had made an offer to the representative bodies of backdating which, although still under discussion, now included £0.6m of potential backdating costs in the year end outturn as presented.

The detailed final revenue position was set out in Appendix 1, with major variances being summarised in the report.

Delivery against savings targets

It was noted that performance exceeded the efficiency target for the year largely due to savings in respect of staffing costs and procurement savings.

RESOLVED: - That the Committee noted and endorsed the outturn position on the 2019/20 revenue budget, the associated drawdown of £286k from general reserves and the transfer of £38k to the DFM earmarked reserve.

80/19 YEAR END CAPITAL OUTTURN 2019/20

The report presented the year end position for the Authority's capital programme including how this had been financed and the impact of slippage from the 2019/20 capital programme into the 2020/21 programme.

The year end position for the Authority's capital programme showed total expenditure of £2.9m compared with the budget of £3.6m, with the difference being slippage of £0.6m and an underspend of £0.1m. It was noted that slippage was a timing issue dependent on the progress of capital schemes and not an indication of future underspends. The Director of Corporate Services highlighted:

- Pumping Appliances - slippage of £338k related to delays in build, as design issues of the crew cab were finalised. Delivery was still expected during the financial year however this had been impacted by covid-19 as the supplier who was based in Scotland had been subjected to stringent lockdown measures.

In response to a question raised by County Councillor O'Toole the Director of Corporate Services confirmed that there was a fixed price on the remaining vehicles and that quality assessments were done during the build and final delivery and there had been no significant issues on previous vehicles received under this contract.

- ICT Systems – underspend of £211k. Following a review of the need to replace or maintain systems 2 did not need replacing at this time hence the underspend.
- Buildings – £4m capital project was ongoing at Training Centre for workshop development. Revised pricing for that contract was currently awaited. Initial design work had been included in the cost in 2019/20. However, the whole budget had been transferred into next year and there was a slight overspend on the building element which was a timing issue. The overall cost of the project was not known until the final price had been received from the contractor. This gave an overspend this year.

The programme had been financed in year, from a combination of revenue contributions (£2.0m), the drawdown of capital reserves (£0.9m), as detailed in appendix 1 of the report.

Prudential Indicators 2019/20

Under the prudential framework the Authority was required to identify various indicators to determine whether the capital programme was affordable, prudent and sustainable.

The revised indicators, after allowing for the various changes to the capital programme, were set out in the report alongside the actual outturn figures which confirmed that performance had been within approved limits.

The Impact of Slippage from the 2019/20 Capital Programme into the 2020/21 Programme

The original approved capital programme for 2020/21 was £10.8m. This had been

updated to reflect the final level of slippage of £0.6m, therefore the final proposed capital programme for 2020/21 was £11.4m, funded from capital grant, revenue contributions and capital reserves. The revised programme and its funding were set out in appendix 2 and considered by Members. Whilst it was certain that due to the covid-19 pandemic more slippage would occur during 2020/21, the effect of this was still being reviewed. However, it was clear that there would be significant slippage in 2020/21.

Revised prudential indicators for 2020/21-2022/23 showed that the revised programme remained affordable, prudent and sustainable.

Capital Reserves

The capital programme over the next 5 financial years would use all the capital reserves and receipts.

RESOLVED: - That the Committee: -

- i) Noted the capital outturn position, the financing of capital expenditure 2019/20 and the prudential indicators; and
- ii) Approved the revised 2020/21 capital programme, and the financing of this and the prudential indicators.

81/19 YEAR END TREASURY MANAGEMENT OUTTURN 2019/20

The report provided a broad view of the economic position.

COVID-19, spread across the globe in early 2020 causing falls in financial markets not seen since the Global Financial Crisis.

In response to the spread of the virus and sharp increase in those infected, the government enforced lockdowns, central banks and governments around the world cut interest rates and introduced massive stimulus packages in an attempt to reduce some of the negative economic impact to domestic and global growth.

The Bank of England, which had held policy rates steady at 0.75% through most of 2019/20, moved in March to cut rates to 0.25% from 0.75% and then swiftly thereafter brought them down further to the record low of 0.1%. In conjunction with these cuts, the UK government introduced a number of measures to help businesses and households impacted by a series of ever-tightening social restrictions, culminating in pretty much the entire lockdown of the UK. With similar impacts being felt around the world.

With the crisis there has been flight to quality in financial markets resulting in gilts yields to fall substantially for example the 10-year benchmark yield fell from 1% to 0.4%.

Borrowing

The borrowing of the Fire Authority had remained unchanged at £2m in 2019/20. The current approved capital programme had no requirement to be financed from borrowing and the debt related to earlier years' capital programmes. While the

borrowing was above its Capital Financing Requirement (CFR), the underlying need to borrow for capital purposes, this was because the Fire Authority had a policy of setting aside monies in the form of statutory and voluntary minimum revenue provision (MRP) in order to repay debt as it matured or to make an early repayment. Consideration had been given to repaying the £2m but as reported as part of the 2020/21 Treasury Management Strategy the penalties incurred on repaying the loans early would incur significant costs. Also any early repayment meant that cash balances available for investment would be reduced and hence interest receivable would also be reduced. It was concluded that the repayment was not considered to be financially beneficial at the time. However, the situation was periodically reviewed by the Director of Corporate Services.

Investments

Both the CIPFA Code and the MHCLG Guidance required the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. Throughout the year when investing money the key aim was to strike an appropriate balance between risk and return.

In order to reduce credit risk to the Authority, Lancashire County Council (credit rating by Moodys Aa3) was the main counterparty for the Authority's investments via the operation of a call account. However the Treasury Management Strategy did permit investment with other high quality counterparties including other local authorities. During the year the cash held by the Authority had been positive with the highest balance being £48.0m and the lowest £27.7m. Therefore, given that the expectation was that interest rates would remain low the opportunity was taken to undertake some fixed term investments with other local authorities rather than keeping all the monies in the call account. This aimed to enhance the investment return while keeping the credit risk low. At the year-end, fixed investments of £10m were in place. However, during the year other fixed term investments had matured.

The table on page 32 of the report showed there had been 5 different lump sums invested with third parties; all were other local authorities and depending on when the investment had been taken out the interest rate had changed. In total these investments had generated approximately £100k more investment return in year than if it had been invested in the call account.

It was highlighted that interest rates had changed significantly since April / May which would impact on any future fixed-term investments.

The call account provide by LCC paid the base rate throughout 2019/20. 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 £25.8m earning interest of £0.185m.

The overall interest earned during this period was £0.332m at a rate of 0.91% which compared favourably with the benchmark 7 day index (Sterling Overnight rate 7 day rate) which averaged 0.74% over the same period.

All of these investments were made in accordance with the current Treasury

Management Strategy and the CIPFA treasury management code of practice.

Cash flow and interest rates continued to be monitored by the Director of Corporate Services and the County Council's treasury management team, and when rates were felt to be at appropriate levels further term deposits would be placed.

Prudential Indicators

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 2019/20 were presented alongside the actual outturn position.

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

82/19 YEAR END USABLE RESERVES AND PROVISIONS OUTTURN 2019/20

The report presented the year end outturn position in respect of usable reserves and provisions based on the information reported in the Revenue Outturn, Capital Outturn and Treasury Management Outturn reports.

The Authority approved the reserves and balances policy as part of its budget setting process, in February, with the year-end outturn position being reported to Resources committee and included in the statement of accounts. The previously reported Revenue Outturn, Capital Outturn and Treasury Management Outturn all fed the Authority's overall reserves position, which was considered by Members as summarised in the report.

General Reserve

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

The Authority needed to hold an adequate level of general reserves in order to provide:-

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

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 deficit on the revenue budget, £286k, had been drawn down from this reserve. After allowing for transfers the Authority now held a General fund balance of £7.9m. This was within the target range agreed by the Authority at its February meeting, £3.0m to £10.0m.

Earmarked Reserves

The reserve covered all funds, which had been identified for a specific purpose. The

overall reserves level reduced slightly from £8.0m to £7.8m, with the detailed position in respect of the various earmarked reserves considered by Members as set out in the report.

The Director of Corporate Services highlighted:

PFI Equalisation Reserve – This reserve was 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 reserve required to meet future contract payments had been updated to reflect current and forecast inflation levels.

Public Works Loan Board – This reserve was created to meet the potential penalty costs associated with repayment of the remaining PWLB loans however, given the reducing likelihood of repaying the loans with such a large penalty, the balance was transferred into the Capital Funding Reserve as part of the 2020/21 budget setting process.

Insurance Aggregate Stop Loss – The Authority had aggregate stop losses on both its combined liability insurance policy (0.4m) and its motor policy (0.3m). This meant that in any one year the Authority's maximum liability for insurance claims was capped at the aggregate stop losses. As such the Authority could either meet the costs direct from its revenue budget or could set up an earmarked reserve to meet these. Lancashire had chosen to meet the potential costs through a combination of the two. Hence the amount included in the revenue budget reflected charges in a typical year with the reserve being set up to cover any excess over and above this. As such the reserve, combined with amounts within the revenue budget, provide sufficient cover to meet 2 years' worth of the maximum possible claims. It was also noted that the revenue budget allocation had also been reduced in recent years reflecting the claims history. Without holding this reserve to cushion any major claims that may arise this would not have been possible. There was no utilisation during 2019/20 as the costs were met from the revenue budget and existing insurance provision.

Fleet & Equipment – This reserve provided scope to meet new equipment requirements identified in-year such as battery powered hand tools and other new technologies. In addition, the reserve had been increased by the unspent budgets for replacement structural firefighting boots and replacement duty rig, as neither were purchased in 2019/20, both of which should be spent during 2020/21, plus £0.1m for a delayed delivery of firefighting PPE which was received in April rather than March as expected.

Capital Reserves and Receipts

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

Capital Receipts were generated from the sale of surplus assets, which had not yet been utilised to fund the capital programme. In 2019/20, £860k was utilised of

capital reserves. However, this was partly offset by the sale of assets which generated £13k of capital receipts from the sale of a vehicle.

As a result of this the Authority currently held £19.0m of capital reserves/receipts. However, the 2020/21 capital programme, after allowing for slippage showed all of this being utilised over the next 3 years of the capital programme.

North West Fire Control Reserves

The North West Fire Control (NWFC) reserves brought forwards formed part of the opening balances, and the draft accounts' balances were included in the report and the draft accounts. This was not available for use as it was the Authority's share of the NWFC required reserves.

Provisions

The Authority had three provisions to meet future estimated liabilities:-

- Insurance Provision, which covered potential liabilities associated with outstanding insurance claims. A review of current claims outstanding and our claims history had been undertaken and as such the provision had increased to £522k at 31 March 2020.
- RDS Provision, which covered potential costs associated with RDS personnel relating to employment terms and eligibility to join the Pensions Scheme.
- Business Rates Collection Fund Appeals Provision, which covered the Authority's share of outstanding appeals against business rates collection funds, which was calculated each year end by each billing authority within Lancashire based on their assumptions of outstanding appeal success rates, as part of their year-end accounting for the business rates collection fund.

The overall position at year end showed the Authority (excluding draft North West Fire Control balances) holding £37.3m of reserves and provisions.

At this level the Treasurer believed these were adequate to meet future requirements in the medium term.

In response to a question raised by Councillor Williams regarding the stock levels of PPE and any further costs of these the Director of Corporate Services advised Members that if a second spike did come and it lasted through to March 2021 it was anticipated, based on the first period, that there would be sufficient PPE available. However it was difficult to predict how long a second spike would last and also depended on the roles the Service would pick up. He reassured Members that this would be kept under review particularly given the potential for availability difficulties and higher costs when faced with increasing demand.

In response to a question raised by County Councillor O'Toole regarding a breakdown of the spend against the covid-19 grant, the Director of Corporate Services confirmed that funding received and expenditure incurred were set against the same ledger code with any surplus shown in the reserve at year end. He confirmed that returns were submitted to the Home Office on a monthly basis which showed the Authority's position.

RESOLVED: - That the Committee: -

- i) noted the additional £646k of earmarked reserves and the additional £298k of provisions, contributing to the overall revenue outturn position;
- ii) agreed the year end transfers associated with the revenue outturn, £286k from the general reserve and £38k to earmarked reserves;
- iii) noted the transfer of £877k from earmarked reserves into capital reserves;
- iv) agreed the year end transfer associated with the capital outturn, £860k drawdown from capital reserves;
- v) noted £13k of capital receipts;
- vi) noted the additional £172k of unused revenue contributions to capital increasing reserves; and
- vii) noted and endorsed the overall level of reserves and provisions as set out in the report.

83/19 UNAUDITED STATEMENT OF ACCOUNTS 2019/20

This report presented the Unaudited Statement of Accounts for the financial year ended 31 March 2020.

The Statement of Accounts took account of the information presented in the Year End Revenue Outturn, Year End Capital Outturn, Year End Treasury Management Outturn and Year End Usable Reserves and Provisions Outturn reports and were prepared in line with recommended accounting practice which was not accounted for on the same basis as we accounted for council tax. As such this meant they did not match the details in the Outturn reports, and hence the sections provided an overview of each statement and a reconciliation between Outturn reports and the Core Financial statements where appropriate.

It was noted that the Statement presented assumed that the Authority's 25% share of North West Fire Control Ltd draft year end position for 2019/20.

Members noted that there would be a further pensions adjustment in respect of the recent HMT consultation on the McCloud/Sargeant remedy, estimated by our actuaries to reduce the Firefighters pension scheme liabilities by up to 1% (up to £8.1m). Once our actuaries had completed the additional analysis, any changes required would be built in to the final version of the Statement of Accounts.

Narrative Report

This set out the financial context in which the Combined Fire Authority operated, and provided an overview of the financial year 2019/20 as well as details of future financial plans.

Statement of Accounts

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 those arrangements as reported to Audit Committee in July 2020.

Auditors Report and Opinion

This would set out the Auditor's opinion on the Statement of Accounts and would be included on completion of the audit which commenced in August.

Statement of Responsibilities

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

Comprehensive income and 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.

Movement in reserves statement

This statement showed the movement in the year on the different reserves held by the Authority, analysed into i) Usable Reserves (those that the Authority may use to provide services or reduce local taxation, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use) and ii) Unusable Reserves (which include reserves that hold unrealised gains and losses where amounts would only become available to provide services if the assets were sold; and reserves that hold timing differences 'between accounting basis and funding basis under regulations').

Balance Sheet

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

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Cash flow statement

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

Signing of the Statement of Accounts

The unaudited Statement of Accounts would be 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 2020. This would be subject to review by the Authority's external auditors, Grant Thornton which was scheduled to take place in August and September. A further report will be presented to the Audit Committee in November, following completion of the revised IAS19 pensions adjustments and completion of the

external audit. At that meeting the Chair of the Audit Committee would be asked to sign the final statement of accounts, as well as the Treasurer.

The Director of Corporate Services advised that there was an independent review undertaken of local government accounts by Sir Tony Redmond the recommendations of which were published recently and were out for consultation including: i) the Chartered Institute of Public Finance and Accountancy to review and where possible simplify the accounts; ii) a summary statement be prepared that tied into the revenue outturn position which might make the accounts more understandable to non-technical accountants; and iii) that audit fees be increased to take account of the complexity involved.

CC Hennessy advised that training for Members on the pension scheme would be arranged with the Senior Pensions Adviser of the LGA.

CC O'Toole referred to page 44 regarding the impact on a number of departmental services of the pension adjustment. He queried whether it would be possible to identify the pension increases separately to enable Members to better understand its effect. In response, the Director of Corporate Services advised that the pension adjustment applied throughout the accounts. This information could be provided separately outside the meeting however, the additional work to provide separate disclosures would be challenging in terms of the timeframe to compile the accounts and the Finance Team's capacity. He assured Members that changes to departmental budgets were set out in the Revenue Budget report presented in February, and that a detailed analysis of departmental budgets year end variance was set out in the revenue outturn position referred to earlier.

As the changes related to the Pensions Schemes, and in the main to the Firefighter Pension Scheme, the Director of People and Development suggested and Members agreed that this be discussed at the next Strategy Group meeting.

The Chief Fire Officer reassured Members that the accounts were subject to a qualified auditor process whereby auditors presented their reports and answered questions from Members of the Audit Committee. Firefighter pension schemes had become far more complex with variations now on existing schemes and new schemes, and those schemes currently subject to possible other changes which could potentially continue until people retired.

RESOLVED: - That the Committee:

- i) Noted and endorsed the Unaudited Statement of Accounts;
- ii) Consider the complex issue of Firefighter Pensions at the next Strategy Group meeting.

84/19 PROPERTY ASSET MANAGEMENT PLAN

The Director of Corporate Services presented to Members the Property Asset Management Plan which adopted a document framework that comprised a suite of four documents:

1. Property Policy Framework;

2. Asset Management Plan Progress Report;
3. Property Performance Report, and;
4. A 5 year Action Plan.

Property Policy Framework

This section looked across the whole portfolio and set out how that portfolio would be used in furtherance of the Service's strategic aims. The Authority's property assets had a book value of over £85m and comprised of the following assets:

- Service Headquarters;
- Service Training Centre;
- 39 Stations:
 - 7 Wholetime (including 2 with a retained appliance as well);
 - 17 Retained;
 - 4 Day Crew (including 2 with a retained appliance as well);
 - 11 Day Crew Plus (including 8 with a retained appliance as well);
- Urban Search and Rescue;
- 1 lease granted to Prince's Trust.

The Authority's vision for property assets had 6 key elements:

1. Maintained in a good state of repair;
2. Fit for purpose;
3. Future proof;
4. Environmentally sustainable;
5. Efficient in cost and use, and;
6. Inclusive and accessible.

These key elements were used to assess the assets to determine what, if any investment was required and where this would be prioritised.

Asset Management Plan Progress Report

This set out the progress that had been made by the Service in improving the assets in use, towards an overall asset vision and how the Service was improving the alignment of the property portfolio with Service delivery needs.

Considerable improvement in the asset base had been made since 2006/07, with the Service now only having 2 assets that were classed as in poor condition and as being unsuitable:-

- Service Headquarters and;
- Preston Fire Station.

Property Performance Report

This set out how the performance of the property assets had been measured to date and the general direction and areas of performance that needed to be adopted going forward if the 5-year Action Plan was to be delivered. It was anticipated that this Property Performance Report would be revised and refreshed each year.

5-Year Action Plan

The Director of Corporate Services highlighted key areas identified for property investment (as detailed on pages 196 and 197 of the agenda pack). Members considered an analysis of where the gaps were and an Action Plan against which progress could be measured.

The main action plan items were:-

- Construction of Service Training Centre Workshop/Breathing Apparatus School;
- Enhance welfare/sleeping facilities;
- Re-provision of Service Headquarters, which was subject to the outcome of a business case; this would be presented as a summary report to the next Strategy Group which would now be scheduled for the end of November;
- Re-provision of Preston Fire Station, which was subject to the outcome of a business case; and
- Continue to review opportunities for site sharing.

The Director of Corporate Services stated that the Authority's asset base was in a good position due to the investments made over the last 10-15 years. The challenge for the Authority was the balance between the affordability of property investments given the capital funding available and the potential need to borrow.

Should further capital grant be made available by the Government, the Authority would review opportunities to bid against this.

The Chairman confirmed that the Strategy Group meeting would be an essential meeting for Members to understand the detail of the business case for the re-provision of Service Headquarters.

County Councillor Hennessy appreciated the work undertaken in the production of the Property Asset Management Plan. However, she felt more information could be included regarding the availability of community facilities and flood risk. In response, the Director of Corporate Services confirmed that the provision of community facilities was a challenge on some stations given space limitations. He also advised that there were some stations in a flood risk area but it would be very challenging to relocate given the cost, the need to provide appropriate emergency response and in some cases the size of the flood risk area.

In response to a question from County Councillor O'Toole regarding whether any appeals had been submitted regarding the level of business rates payable, the Director of Corporate Services advised that a regular review was undertaken of the rateable values on all properties and there had been many occasions where these were successfully appealed.

RESOLVED:- That the Committee approved the Property Asset Management Plan, and noted the link between this and the capital and revenue budget of the Authority.

85/19 FINANCIAL MONITORING

Revenue Budget

The overall position as at the end of June showed an underspend of £0.3m, largely

as a result of reduced spend during the first quarter, due to the Covid-19 pandemic as planned expenditure was not progressed. This position had continued throughout quarter 2, and although we were currently discussing with budget holders what impact this could have on their end of year budgetary position, clearly this would have significant impacts on the outturn position for 2020/21.

In terms of the year end forecast an initial forecast, based on trends and budget holder discussions were being worked through and would be reported at the next meeting.

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

Area	Overspend / (Under spend) to 30 June £'000	Reason
Service Delivery	(68)	The underspend for the first quarter largely related to the reduced activity levels, in particular for car allowances and smoke detector purchases.
Covid-19	-	We received a further £1.1m S31 grant in May 2020, in addition to the £0.3m received in March, taking the total funding received to £1.4m. We had spent £0.9m to date, comprising PPE, cleaning and decontamination equipment and ICT hardware/software. The balance was held in an earmarked reserve.
Training & Operational Review	(30)	The current underspend largely related to training courses expected to take place during the quarter, it seemed unlikely that these could be caught up before the end of the financial year.
Information Technology	(90)	In addition to the pandemic impacts on business as usual spending, savings from the phased introduction of the new Wide Area Network occurred in the quarter where the first three months service were free of charge whilst the network was fully implemented.
Property	(95)	The underspend position related to planned premises repairs and maintenance, which could not be carried out and this had continued into the second quarter.
Wholetime Pay (including associate trainers)	(50)	In anticipation of reduced staffing levels due to the pandemic 16 existing On Call staff who had been successful in the Wholetime

		<p>recruitment campaign and who were initially due to commence on the recruits course in September were allowed to commence riding Wholetime appliances in May. This would cease once they commenced on the recruits course in September. The additional cost of this was offset by additional 8 early leavers since the budget was initially set.</p> <p>In addition vacant posts were effectively budgeted at Firefighter rates, however there were a number of vacancies within TOR, Fire Safety and Service Development at higher grades, resulting in a further underspend.</p>
RDS Pay	135	<p>The overspend reflected activity related payments for the first three months, which could be attributed to several moorland fire incidents during the period, a 36% higher activity level than the corresponding quarter last year. We would monitor the situation over the coming months and update in due course.</p>
Support staff (less agency staff)	(51)	<p>The underspend to date related to vacant posts across various departments, which were in excess of the vacancy factor built into the budget. Due to the cessation of recruitment activity due to the pandemic, it was unknown when these posts might be filled, however it was clear there would be an underspend by the end of the financial year.</p> <p>Note – agency staff costs to date of £16k were replacing vacant support staff roles, this accounted for less than 1% of total support staff costs.</p> <p>Note – following on from November 2019 Resources Committee approval, in April we prepaid three years' worth of LGPS employer's contributions in order to save £36k over the three year period. These would be spread over the three years for budget monitoring purposes.</p>

It was noted that the Home Office had issued a guidance note on the treatment of 'Immediate Detriment' cases in respect of the Firefighters' Pension Scheme arising from the McCloud / Sargeant ruling. It had always been assumed that any shortfall in backdated employer contributions would be covered under the next scheme valuation or would be covered by additional grant from the Government. Potentially this position had changed and this could result in a significant additional cost in the current and future years.

Capital Budget

The Capital budget for 2020/21 was agreed at £10.8m. As highlighted in the Capital Outturn Report (elsewhere on the agenda) an additional £0.6m of slippage was required, giving a revised programme of £11.4m.

Following a review of the anticipated cost and utilisation of the proposed Area Based Training Hub it was agreed to put this project on hold, as it was felt that there was limited evidence that on-going usage would warrant a £0.5m investment. As such the current Programme for 2020/21 stood at £10.9m.

There had been very little spend against the resultant 2020/21 programme, just £0.4m, as departments had been dealing with the impacts of the ongoing pandemic. The impact of the pandemic on anticipated in-year spend was currently being reviewed, with a view to reporting this to the next Committee meeting, but it was clear there would be significant slippage again this year.

The current position against the programme was set out below, with further details provided for consideration by Members in Appendix 2: -

Pumping Appliances	<p>The budget allowed for the remaining stage payments for 7 pumping appliances for the 2018/19 programme, the phased delivery of which are anticipated between August and October.</p> <p>In addition, the budget allowed for the purchase of 3 pumping appliances for the 2019/20 programme, and 2 pumping appliances for the 2020/21 programme, all of which had been delayed pending consideration of the specification.</p>
Other vehicles	<p>This budget allowed for the replacement of various operational support vehicles, the most significant of which were:</p> <ul style="list-style-type: none">• Two Command Support Units (CSU), the requirements are still being finalised with Service Delivery prior to undertaking a procurement exercise;• One Water Tower;• One Aerial Ladder Platform;• One all-terrain vehicle <p>In addition to these, the budget allowed for various support vehicles which were reviewed prior to replacement.</p>
Operational Equipment/Future Firefighting	<p>This budget allowed for completion of the kitting out of three reserve pumping appliances, in addition to providing a £50k budget for innovations in fire-fighting to be explored.</p> <p>This budget also allowed for the progression of CCTV on pumping appliances.</p>

Building Modifications	<p>This budget allowed for:</p> <ul style="list-style-type: none"> • Provision of a new workshop, BA Recovery and Trainer facility at STC. We had completed design work and were in discussion with Chorley BC relating to planning permissions. We had selected a procurement framework and had appointed a contractor/partner to take designs forward to tender; • Exploring with NWAS co-location at Morecambe; • Based on the latest stock condition survey, several stations had identified upgrades to dormitory and shower facilities, the actual timing of works would vary depending on Property department capacity to deliver the works; • We had included budgetary provision for a drill tower replacement plan, and would seek to replace a notional 2 towers per year over the 5 year programme.
IT systems	<p>The majority of the capital budget related to the national Emergency Services Mobile Communications Project (ESMCP), to replace the Airwave wide area radio system and the replacement of the station end mobilising system. The ESMCP project budget, £1.0m, was offset by anticipated grant, however the timing of both expenditure and grant was dependent upon progress against the national project. This national project had suffered lengthy delays to date.</p> <p>The balance of the budget related to the replacement of various systems, in line with the ICT asset management plan. Whilst procurement work was ongoing to facilitate the replacement of some of these systems in the current year, we were still reviewing the need to replace others. Hence further updates on progress would confirm which replacements were being actioned in the current year and anticipated spend profiles.</p>

The committed costs to date would be met by revenue contributions.

Delivery against savings targets

The current position on savings targets identified during the budget setting process was reported. It was anticipated that we would meet our savings target for the financial year.

The Chairman thanked the Director of Corporate Services and his team for the production of the financial reports presented which covered the period since the last meeting. The Chief Fire Officer suggested a conversation with the Chairman and

Vice-Chairman would be useful if Members wanted significantly more detail in some areas; given the finance team was very small and there was a lot of information to collate and present to Members.

RESOLVED: - That the Committee noted and endorsed the financial position.

86/19 PENSION BOARD - FIREFIGHTER PENSION SCHEME TRANSITION
PROTECTION CONSULTATION

The Director of People and Development presented the report. In April 2015 a new firefighters pension scheme commenced replacing the 1992 and 2006 schemes. The Government's original proposals were to address the rising cost of the legacy schemes to the public purse, ensuring sustainability whilst still providing appropriate pensions. The main changes were an alteration from a final salary to a career average scheme with an increased normal pension age and the introduction of a cost control mechanism. It was always clear that the structure of the 1992 scheme was superior to the 2015 scheme, although the contribution rates were higher.

As part of the 2015 reforms, those within 10 years of retirement remained in the legacy scheme with tapered protection being given for individuals within a further 4 years of their retirement date. The protection was given following negotiations with the FBU and was intended to give protection and certainty to people who were close to retirement. After introduction the FBU undertook court proceedings arguing that the transition protection was age discriminatory. In December 2018 the Court of Appeal found that the transition protection unlawfully discriminated against younger members of the judicial (who also undertook court action) and firefighters. The Courts required that this unlawful discrimination be remedied by the Government.

The Home Office therefore had issued a consultation document on proposals to address this adverse discriminatory finding by the High Court in respect of the Firefighters pension schemes. It was noted that the consultation would end on 11 October 2020 and that it included a number of unfunded schemes and was not limited to the firefighter schemes (with Police, Teachers and NHS schemes being included but the Local Government Pension Scheme was subject to a separate consultation).

The consultation proposals applied to all members of the 2015 scheme who were in employment before 31 March 2012 and also on or after 1 April 2015 including those with a qualifying break in service of less than 5 years. An individual would not be required to submit a legal claim. Any new entrant after 31 March 2012 was excluded. Until the 2015 scheme was live they were placed in 2006 scheme.

The Government proposed that all eligible members would be given the choice of which set of scheme benefits was better for them for the period 1/4/2015 to 31/3/2022.

The basis for this option was dependent on an individual's personal circumstances (in particular their earnings progression); overall in the public sector many members were likely to be better off in the reformed schemes. The Government was proposing to therefore allow individuals to have a choice rather than move everyone back into

their legacy scheme. In Fire Service terms except in very unusual circumstances, it was highly unlikely that the 2015 benefits were better than their 1992 benefits over this period, but it became more likely comparing the 2006 with 2015 scheme benefits.

The consultation requested comments on 24 questions. Extending the transitional protection arrangements until 1/4/2022 to all staff seemed the logical and sensible route. The caveat to this was that the necessary ICT solutions and other administrative activity might not be completed by then.

The Director of People and development urged Members to respond to the key questions which were:

Funding of the remedy

The following points were noted:

- The costs associated with this remedy would be significant, and would include system development, additional pension administration (out with any existing contractual arrangement) and considerable in-house service guidance and administration. This was on top of an ever increasing administrative burden driven by pension regulation;
- The need for a remedy was the Government concluding with the FBU a transition commitment which gave rise to the discriminatory effect. In effect the new schemes were a government initiative which had to be implemented. As Pension Scheme Manager, the Authority had no choice but to administer the scheme in accordance with the statutory instruments. It was noted that the LGA currently had a hearing listed at the Court of Appeal arguing that the Government should be liable for any costs arising from and this was not a burden that should fall on Fire Authorities;
- In short “How would the costs of remedy be covered?”

Which option (immediate / deferred choice)

The main question posed in the consultation was should individuals make an immediate choice (asap after April 2022) or be allowed to make their choice when they retire.

In this context removing the discrimination was achieved by allowing every individual the same timeframe for protection and then removing the protection hence April 2022 (and was accepted by the government as the need). A more contentious alternative would have been to withdraw the protection when the outcome of the court case was known or the claim made. The Government’s wish not to allow an individual to be disadvantaged by being withdrawn from a better scheme was also accepted.

However, the proposal seemed overly complicated, risk averse and would cause greater problems than the alternative of making an option soon after 1/4/22 as to which scheme was considered appropriate.

Whilst the workload associated with the pension options should not be underestimated, this would need to be undertaken at some point but an organisation

could plan to resource it as a one-off rather than over 30+ years. So whilst making a single choice would peak that workload, the alternative of allowing a deferred option was far greater in extent requiring repeated complicated calculations on “what ifs” and gave rise to other issues and complications, such as the retention of knowledge. An immediate choice would put the issue to bed and provide certainty going forward and was in line with other pension issues and allowed appropriate contributions to be collected and appropriate tax obligations to be met. It would also make the Authority’s task of workforce planning more straightforward.

Currently if an employee joined an organisation then they had 12 months to decide whether to transfer in pension benefits. Sometime later in their career individuals sometimes requested to review that decision as their circumstances had changed and the informed decision they made on entry was no longer the right one for them. Inevitably by the nature of the situation this would increase the cost to the pension fund and were normally declined. This proposal would therefore cause resentment with other employees. As would the ongoing requirement for recalculations would be an extra obligation.

Similarly individuals could take advantage of the situation and opt to remain in the “cheaper” fund and make their real election at retirement, this would require significant adjustments in retrospective contributions to be made and after a 4 year period income tax to the revenue account would be lost and if overpaid contributions had been made the proposals suggest the employer (i.e. LFRS) would pay interest but not if the individuals have underpaid (and this would give rise to claims of unfair treatment). Especially, as almost all 1992 employees should opt for a return to the legacy scheme.

In this respect it was noted that different definitions of pensionable pay and contribution rates existed across the schemes.

Similarly it was suggested that those that had withdrawn from the pension schemes should be allowed to re-join and it was felt that this should only be allowed when justification was advanced.

Calculating tapering retrospectively would also be especially difficult.

The proposal to allow an individual to make the choice at the end of their career was providing an unfair advantage over other individuals and no justification could be seen for this approach except to prevent any challenge by allowing the use of hindsight, which seemed unfair to other employees and depending on the outcome would impact on the cost control mechanism and the viability of the schemes as a whole.

A deferred option would mean these issues continued for 30 + years, with the maintenance of two pension records for those effected.

The Director of People and Development’s recommendation was that an immediate option should be nominated.

Potential additional discrimination being created

Within the documentation seen was a suggestion that any person with “tapering” protection should have this maintained beyond 2022. This would appear to be extending the discrimination that had caused the problem in the first place and far from reducing the scope for claims it would create new claims in the mistaken belief that discrimination would occur if you changed the offer, ignoring that it was the High Court that has deemed the protection offered as unlawful and had to be removed.

Currently in the 1992 scheme an individual’s pension entitlement was limited to 30 years’ service and if they achieved this before age 50 they were given a contributions holiday but after 50 had to recommence payment. The proposal was to allow staff to opt for 1992 scheme until 30 years and then join the 2015 scheme. Not only was this proposal flawed if implemented it would give rise to more claims of mal-administration.

Other examples existed which the Director of People and Development felt should be included in at least one of the two proposed responses which were:

Taxation

The consultation proposed that if a deferred option was adopted then the Government would meet the tax obligation and any tax owed over the four year timeframe would be lost, this was not the case under the immediate option which would give rise to grievances if not claims.

The issue of annual allowance would also be fundamentally different if an individual remained in the reformed scheme until retirement and then opted for 1992 as opposed to reverting to the 1992 scheme immediately. Scheme pay obligations would also arise differently and if used would impact on an individual’s final pension. Taxation issues also arose in respect of tapering. It was suggested that this detail be picked up in the response to the consultation by the Director of People and Development.

Communication

Pension entitlements had become more complicated by the existence of multiple schemes and also Government changes (such as taxation, minimum and normal retirement ages, annual allowance and other changes effecting individuals) irrespective of the transition issue. Appropriate consistent and simplified communications was therefore a key imperative.

One of these legal pension requirements was to provide clear accurate annual benefit statements. If an individual had had an option in 2022 then this task (although more challenging than before) was manageable but if each year the calculation had to be undertaken for two scenarios and included a statement, conveying the import would be not only administratively challenging but providing clear information would also be difficult. This would in turn encourage claims for being misled. Experience showed that even the current requirement caused confusion. Often it was necessary to assist individuals in understanding what their options were. In the current situation this could be done within the confines of not providing advice, these proposals made that more difficult and officers would probably need to err on the side of caution.

Clear consistent pension advice and documentation was needed to prevent misunderstandings.

Financial Implications

There were no direct financial implications arising from the report however whatever remedy that applied would have a significant impact on the Service in terms of i) employer contributions; ii) any recalculation of benefits would increase the Authority's liability, iii) interest payments to employees if overpaid would negatively impact on the Authority; iv) additional costs would be incurred by our pension administrator that would be outside the contractual arrangement and would need to be funded; v) the complex nature of the remedy would require revised technical solutions that would need to be funded within the sector increasing costs; vi) the cost of future administration would increase significantly; vii) developments in the pension field limit the options for provision of a cost effective administrative service.

Human Resources Implications

Pension arrangements were a fundamental part of the contractual arrangements that had become more specialised. The complexities of the proposals and extent added to the demands on the Human Resources function and if the deferred option was selected by Government this would continue for 30 years. Maintaining the required knowledge and expertise would be very problematic. The complexity would result in considerable more questions over pension entitlement and uncertainty from employees and would negatively impact on morale. The retrospective nature of the proposals and the need for complicated administration moving forward was likely to result in administrative errors (maybe significant). The proposals would increase individual's tax liability and exposure to scheme pays which was not normally seen as positive by the individual. The sum total of activity and lack of a technical solution meant that timelines were extremely tight and must be considered a risk. The revised pension arrangements would maintain firefighter pension provision as excellent which was beneficial in workforce terms.

Equality and Diversity Implications

The discriminatory effect would be resolved by returning everybody into the legacy scheme until 1/4/22 but the Government believed this was unfair and had proposed a series of measures. The measures proposed however establish new grounds for discriminatory impact and should be avoided as outlined in the body of the report.

It was noted that the Local Pensions Partnership as our pension administrators would be responding in respect of their position as would the Director of People and Development as the designated Pension Scheme Manager for the Authority in respect of the consultation covering the detailed questions.

In response to comments made by County Councillor O'Toole in terms of the detailed consultation questions and the need for a fairer and less complicated system, the Director of People and Development confirmed that he had included the key questions in the report and a link to the consultation questions and he provided Members with further information including a number of examples:

- It had been suggested that for those individuals offered transition protection, to take away the entitlement for them to retire whenever they wanted under the

1992 scheme beyond 2022 (which was possible) meant they would be potentially given better protection than others and also it meant those who had to retire or had retired did not have that option;

- In the 1992 scheme if an individual who had accrued 30 years contribution (which equated to 40/60ths) remained in the Service longer they still had to pay contributions and not get any benefit from it (if aged over 50, if under 50 and had 30 years' service they received a pensions holiday);
- One suggestion was for individuals to transfer into the 2015 scheme once 30 years' service had been accrued; but that was unfair on everyone else;
- Also there was the option to make a decision on retirement. This meant one officer could transfer back into the 1992 scheme and another officer could stay in the 2015 until retirement, when they then retired the taxation arrangements meant they would be treated differently;
- There was an issue with individuals in the 2006 going into the 2015 scheme. For Police and Fire it was difficult to foresee any situation where it was better to remain in the 2015 scheme unless there was very little service or an individual died in service, hence it was very unlikely for someone to be better off in that scheme;
- Also people who had left the scheme would now be given another option to re-join which put them in a much better position than those who had remained in the scheme;
- LPP were saying it would be more costly; and
- There was the need for greater resources to manage the relationship with LPP and deal with a sequence of questions from firefighters.

The Director of People and Development asked that Members respond to the consultation in relation to the impact on administration, costs and the negative effect on terms and conditions.

County Councillor O'Toole thought it was an ideal situation for individuals to have a choice to either make a decision now or leave it until retirement. For example, anyone with a personal pension plan if they retired early they had the option to take the money straight away or wait until retirement age; the option was there. In response, the Director of People and Development advised that when you joined a new organisation you had 12 months under the current schemes to transfer your pension pot into the new scheme. If this was an open ended issue it would be more difficult to clarify pension liabilities and it was unfair on people who had made the decision earlier and their life events had changed. In addition he confirmed that retirement options were already enshrined in the 1992, 2006 and 2015 schemes. This would allow individuals to not pay the contributions and get the benefits and we would not get the interest on the unfunded element; whereas if an individual had opted to join earlier they would be disadvantaged by that. Therefore, the person that opted to stay in the 1992 scheme would be disadvantaged. In an ideal world it would be good to make life decisions at the end but it is much more administratively costly to do as that information would require maintaining over 20 – 30 years which would require re-calculation every year.

It was agreed that the Director of People and Development provide Members with the consultation questions together with proposed responses for consideration. Members would then submit comments to the Chairman for his final agreement of a

response on behalf of the Authority to the Home Office.

RESOLVED: That the Director of People and Development issue the consultation questions and draft responses to the Committee Members for consideration and comment to the Chairman for the Chairman to agree a response.

87/19 CARBON MANAGEMENT PLAN

The Director of People and Development presented the report. The Service had participated in the Carbon Trust Carbon Management Programme during 2008/09. A Carbon Management Team (CMT) was created to oversee the programme together with a programme board (Climate Change and Environment Programme Board). This resulted in the production of a Carbon Management Plan which was agreed by CFA Resources Committee in March 2009. Regular update reports were presented to the Combined Fire Authority, currently through the Annual Safety, Health and Environment Report.

It was noted that a target of 20% carbon emissions reduction by March 2013 was set by the Authority with a long-term target of 40% reduction by 2020. A revised target of 40% reduction by 2030 was proposed as the visionary long-term target for 2020 included a potential move from Service Headquarters to Service Training Centre.

Progress was measured against a 'business as usual' baseline i.e. the anticipated position if no action was taken. The forecast was that carbon emissions from buildings and fuel use would increase from 4,352 to 5,074 tonnes by March 2030 without any mitigating action. The target set was to reduce carbon emission to 2609 tonnes. At March 2020 carbon emissions was 3347 tonnes showing a saving of 1005 tonnes.

It was noted that the target set was challenging but a decrease in carbon emissions had been achieved across gas, electricity and fuel use but not at the rate anticipated. This included reductions in electricity use of 7.6%, gas 38% and fuel 23.8%. In addition a reduction of 30% had been achieved for water use. To continue this trend Environmental Champions have been introduced to change staff behaviour and support the Carbon Management Plan.

Monthly collation of electricity, gas, and fuel and water data commenced in 2011/12 on all LFRS premises. It was now possible to compare the monthly data this year with the data last year enabling further scrutiny of the data by the Carbon Management Team. This information enabled new projects to be delivered in premises that would have the most impact.

The monthly meter readings collected on each premises allowed for projects to be targeted to where there was the greatest need. Usage was analysed by the CMT and this had resulted in a number of cost savings and carbon emission reductions such as: challenges being made to utility companies from inaccurate bills; station staff over-riding heating controls; heating systems being left on; investigations into water leaks; spikes in usage providing useful management information e.g. wildfires increased fuel use and flooding resulted in increased energy use for drying kit; fleet vehicle usage for various roles based on historic provision rather than current need

and departmental plans being prioritised to deliver savings where needed most. The data collected was also used to produce certificates which had to be displayed in our buildings

There were a number of risks and issues that might have impacted on achieving continued carbon emission and cost savings and meeting the reduction target.

- Extreme weather events e.g. cold wet winter could again impact on energy use.
- Fuel consumption could rise further due to preventative activity and wildfire and flooding activity.
- Financial and staff support for projects may be affected through reduction in budget allocation.
- To continue to achieve reductions investment would be required to support projects that delivered energy efficiency.

The Carbon Management Plan, as now considered by Members had been written to seek to achieve the target of 40% reduction by March 2030. It was accepted that projects completed would slow down due to future budget reductions and reductions in resources. However, there were a number of projects/reviews that should continue to deliver cost savings and carbon emission savings in the future. The anticipated move of Service Headquarters to Service Training Centre, reduction in staff posts resulting in reduction of energy use and reduction in fleet vehicles, reviews on ways of working e.g. Home Fire Safety Check delivery, more energy efficient buildings in the LFRS estate and the PFI buildings and the fleet vehicle replacement programmes would all assist in achieving future reductions.

RESOLVED: - That:

- i) the Carbon Management Plan for up to March 2030 be agreed; and
- ii) that monitoring and future reporting of carbon emissions be presented to Authority Members through the annual Safety, Health and Environment report presented to the Combined Fire Authority.

88/19 EQUALITY, DIVERSITY AND INCLUSION ANNUAL REPORT

The Director of People and Development presented the report.

The Annual Equality, Diversity and Inclusion Report, as now presented, documented the Service's performance in relation to meeting its legal duties over the year 2019 – 2020, the workforce profile as at 31 March 2020 and future plans for the Service 1 April 2020 to 31 March 2021.

The report demonstrated how obligations to recognise diversity, value inclusion and promote equality were met and reflected the work done within our diverse communities as well as reporting key equality data / information.

The report contained information on: i) corporate planning and the approach taken to equality and diversity; ii) the comparison and equality profile of the workforce; and iii) an overview of equality-related activities.

It was noted that due to the covid-19 pandemic, the government had removed the

requirements related to Gender Pay Gap reporting.

County Councillor Hennessy requested the equality and diversity of Members on the Authority be recognised.

RESOLVED: - That the Committee noted the report.

89/19 ORGANISATIONAL DEVELOPMENT PLAN

The Organisational Development Plan was presented by the Director of People and Development. The document was a dynamic and evolving plan as more issues were identified or their importance increased or decreased and approaches to address deficiencies were progressed.

The report identified current issues and reflected the position before the impact of the current covid-19 pandemic. Changes as a result of this experience would need to be factored into actions taken when fully known and understood and the response determined; as would the developing picture in respect of the apparent deficits in the protection of the built environment impacted on proposals for the Protection activity. Progress would be impacted by the availability of funding. However the plan demonstrated the thrust in respect of organisational development and measures being developed and progressed.

The Organisational Development Plan was part of a suite of plans which explained the interventions that supported the achievement of our mission and values and how we developed all of our employees to provide a safe, competent, healthy and representative workforce who demonstrate LFRS cultural values and behaviours.

The Organisational Development Plan flowed from the overarching strategic plans of LFRS and linked people management into the operational business process. Development of the plan had taken into consideration the requirements of the NFCC National Fire and Rescue People Strategy and the recommendations of the Inclusive Fire Service Group.

Expectations from staff within our Annual Service Plan and our values defined how we STRIVE to achieve our purpose of “making Lancashire safer” by making sure what we do is guided by strong principles of:

- Service: Making Lancashire safer is the most important thing we do.
- Trust: We Trust the people we work with.
- Respect: We respect each other.
- Integrity: We do what we say we will do.
- Value: We actively listen to others.
- Empowered: We contribute to decision making and improvements;

In light of the changing environment and the need for a workforce that was equipped to support these changes; one that was confident in its abilities, had adaptable skills and was able to act with authority and responsibility. The Service was focused on the development of a strong organisational culture based on clear values and leadership.

The Organisational Plan detailed the activity that had been delivered so far and that which would be delivered over the next twelve months in terms of delivering the Service ambitions in respect of leadership, organisational culture, professionalism and technical ability.

RESOLVED: - That the Committee noted the report.

90/19 DATE AND TIME OF NEXT MEETING

The next meeting of the Committee would be held on Wednesday, 25 November 2020, venue to be confirmed.

Further meeting dates were agreed for 24 March 2021, 7 July 2021 and 29 September 2021.

91/19 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.

92/19 ISO 45001:2018 HEALTH AND SAFETY AND ISO 14001 ENVIRONMENTAL MANAGEMENT SYSTEMS ASSESSMENT AUDIT REPORTS

(Paragraphs 1 and 2)

The Director of People and Development presented the report which included a comprehensive and confidential appendix.

ISO 45001 and ISO 14001 were international best practice standards for how organisations managed Health and Safety and the Environment. The specifications gave requirements for occupational health and safety and environmental management systems to enable an organisation to control its risks and improve performance. Each year the Service was externally audited to ensure both these systems continually improved and met the needs of the Service.

Commencing 26 February 2020 LFRS was audited for 7 days. The British Assessment Bureau carried out the audit against the 2 standards. The Service had now received a joint audit report for both systems which had no major or minor non-conformances or opportunities for improvement included.

It was noted that as part of the audit, where areas for improvement had been identified by LFRS staff, it was intended these be developed into an internal, improvement action plan which would be taken forward by the Health, Safety and Environment Advisory Group.

RESOLVED: - That the report be noted and endorsed.

93/19 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 £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.

RESOLVED: That the Committee noted the report.

M NOLAN
Clerk to CFA

LFRS HQ
Fulwood