

LANCASHIRE COMBINED FIRE AUTHORITY

RESOURCES COMMITTEE

Wednesday, 24 March 2021, 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)
T Martin (Vice-Chair)
L Beavers
J Hugo
D O'Toole
M Pattison
P Rigby
G Wilkins
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 Bowden, Head of Finance (LFRS)
D Brooks, Principal Member Services Officer (LFRS)
N Bashall, Member Services Officer (LFRS)

104/19 CHAIRMAN'S ANNOUNCEMENT

The Chairman, County Councillor F De Molfetta welcomed Authority members and members of the press and public to the virtual committee meeting of the Resources Committee. He advised that in response to the Covid-19 pandemic the Government had made regulations that enabled virtual meetings. This meeting was accessible for Committee members via Microsoft Teams and for members of the press and public via a live webcast on YouTube.

The Committee Members individually confirmed their attendance at the start of the meeting.

105/19 APOLOGIES FOR ABSENCE

Apologies were received from Councillor Simon Blackburn.

106/19 DISCLOSURE OF PECUNIARY AND NON-PECUNIARY INTERESTS

None received.

107/19 MINUTES OF THE PREVIOUS MEETING

RESOLVED: - That the Minutes of the last meeting held on 25 November 2020 be confirmed as a correct record for signature by the Chairman.

108/19 REPORT ON TRANSACTION OF URGENT BUSINESS

RESOLVED: - That the report be noted and endorsed.

109/19 FINANCIAL MONITORING

The Director of Corporate Services presented the report.

Revenue Budget

The overall position as at the end of January showed an underspend of £0.6m, largely as a result of pay underspends as previously reported and detailed in the table in the report. Since the last Resources Committee, discussions had been held with budget holders on what impact the pandemic had had on their planned spend and virements totalling £0.5m had been identified which had been reflected as transferring into earmarked reserves for use in the next financial year. It was also proposed to transfer £0.1m of underspent Fleet Services budgets into the Covid fund, in relation to savings on vehicle running costs due to remote working during the pandemic. The National Fire Chiefs Council (NFCC) had been collating both spends and savings for the fire sector during the pandemic and reporting to the Home Office.

After allowing for this, the outturn position was currently expected to be an underspend of £0.4m as detailed in Appendix 1. It had previously been reported that the Ministry of Housing, Communities and Local Government (MHCLG) would be carrying out the annual national non-domestic rates return (NNDR3) reconciliation, and be making payments where appropriate to Authorities before the end of March 2021, however MHCLG had now confirmed that there would be no levy account distributions in 2020/21.

The year to date and forecast 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 31 Jan	Forecast outturn at 31 March	Reason
	£'000	£'000	
Service Delivery	(105)	(156)	The underspend for both to date and the outturn position largely related to the reduced activity levels, in particular for car allowances/mileage due to remote working during the pandemic, however the position allowed for the proposed transfer of

			<p>the following into earmarked reserves, for use in the next financial year:</p> <ul style="list-style-type: none"> • £104k for unspent smoke detector purchases; • £34k for spend on an USAR training prop, delayed by the pandemic.
Protection Transformation	-	-	<p>The Protection Transformation department was created as a result of the Authority being able to access £310k in grant from the Home Office to support protection work in the wake of the Grenfell tragedy. It was anticipated spending circa £180k during the year on additional staff, staff training and updated software to meet the suggested improvements, with the balance being transferred to an earmarked reserve for use in the following year.</p>
Covid-19	-	-	<p>As previously reported, total funding of £1.4m had been received. £1m had been spent to date, with the balance being held in an earmarked reserve. The spend to date was:</p> <ul style="list-style-type: none"> • Additional staff costs £71k; • Additional cleaning £21k; • Consumable items (eg sanitiser) £138k; • Remote working equipment £113k; • PPE £654k. <p>It was expected that any further costs associated with the ongoing pandemic would be met from this fund.</p> <p>As reported above, £0.1m of underspends would be transferred in relation to savings against the Fleet & Technical Services budget due to the reduced use of vehicles during the pandemic.</p> <p>It was noted that the Home Office had issued a further tranche of allocations to the Fire Service from April next year of which LFRS had been allocated £225k which would be held in the earmarked reserve and drawn down as required.</p>

Youth Engagement	(150)	(55)	This budget included both the Prince's Trust activities and the Fire Cadets units. The year to date position arose from the amended delivery model for Prince's Trust teams, where the residential fees and other team running costs were not being incurred. The forecast position anticipated the transfer of the balance of unspent Prince's Trust income into earmarked reserves to meet future running costs, but this would be brought for a decision during year end. Fire cadet units had been running remotely since last March, hence the expected year end underspend.
Training & operational review	(71)	(68)	The year to date and outturn position both reflected the reduced onsite catering requirement for the year alongside various other activity related underspends. However, the position allowed for the proposed transfer of £61k into earmarked reserves, in relation to training courses and training prop maintenance for use in the next financial year.
Fleet & Technical Services	(111)	(134)	The current underspend largely related to vehicle repairs and maintenance, where the anticipated (and budgeted) increases in the hourly rates charged by LCES had been mitigated thus far by careful management and scrutiny of repairs passed to LCES, with use of alternative contractors where cost effective to do so. In addition, LFRS benefitted from free fuel offered by BP to emergency services during the first quarter, and there had also been a general reduction in spend on fuel and tyres. The position allowed for the transfer of £50k into earmarked reserves in relation to unspent equipment R&D budget, and the transfer of £0.1m into the Covid fund as referred to earlier.
Property	(21)	(9)	All non-essential maintenance was put on hold in quarter one, and was gradually re-instated, departmental

			capacity and the ongoing situation meant that it was proposed to transfer a total of £264k into earmarked reserves in relation to backlog planned maintenance.
Non DFM	634	760	Both the current and outturn positions reflected the £0.4m funding gap identified at the time of setting the budget in February, and the additional £0.3m RCCO approved at the last meeting.
Wholetime Pay (including associate trainers)	(763)	(823)	In anticipation of reduced staffing levels due to the pandemic, 16 existing On Call staff who had been successful in the Wholetime 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 ceased once they commenced the recruits' course in September. The additional cost of this was more than offset by a total of 22 early leavers since the budget was initially set, the majority of whom left in the early part of the year. This resulted in an average of 18 more under establishment than anticipated in the budget, an underspend of £0.8m. The outturn position included the completion of the ongoing January recruits' course in addition to all of the above.
On-Call Pay	164	201	The overspend reflected activity related payments for the year, which could be partly attributed to several moorland fire incidents during quarter one (a 36% higher activity level than quarter one last year) but had been higher on average <u>for the whole year</u> than the previous year. It was assumed that these would continue at broadly the same levels for the rest of the year.
Support staff (less agency staff)	(66)	(84)	The underspend related to vacant posts across various departments, which were in excess of the vacancy factor built into the budget. The underspend position arose due to the initial cessation of recruitment activity

			due to the pandemic, and subsequent reduced recruitment activity. Note - agency staff costs to date of £63k were replacing vacant support staff roles, this accounted for less than 1% of total support staff costs.
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Capital Budget

The Capital budget for 2020/21 stood at £11.2m. Following on from the Fire Authority budget setting meeting in February, the 2020/21 capital programme had been adjusted to remove the items flagged as slipping into 2021/22, due to the ongoing pandemic and associated capacity issues, as follows:

Aerial Ladder Platform (to be replaced with a Turn Table Ladder)	£0.590m
Command Units (Mobile Fire Stations)	£0.580m
Pumping appliances x 5 (1920 & 2021 budgets)	£1.060m
Water tower	£0.500m
Softrack All-Terrain Vehicle	£0.083m
Pod x 3 (1819, 1920 & 2021 budgets)	£0.083m
Various support vehicles	£0.174m
Future firefighting – reserve appliances	£0.027m
CCTV on appliances	£0.150m
Fleet Workshop	£3.375m
Morecambe NWS co-location	£0.132m
Enhanced station dormitory and shower facilities	£0.350m
Drill tower replacements	£0.200m
Performance management system	£0.100m
Hydrant management system	£0.050m
Incident command system (linked to command units)	£0.100m
VMDS/MDT hardware replacement (linked to ESMCP)	£0.400m
Incident ground radios (linked to ESMCP)	£0.180m
On-Call alerters (linked to ESMCP)	£0.065m
ESMCP (Airwave replacement)	£1.000m
Total	£9.199m

This adjustment brought the remaining capital programme to £2.0m, however it was proposed to increase the STC Workshop budget by £34k (which would be transferred from where it currently sat in the Fleet Services revenue budget) for the breathing apparatus compressor replacement, to enable this to be done as part of the project due to its size and integration into the fabric of the building. The revised total budget remained at £2.0m (rounded to £m).

There remained very little spend against the resultant 2020/21 programme, just £1.1m, against vehicles and property projects, as departments had been dealing with the impacts of the ongoing pandemic. The current position against the programme was set out below, with further details in Appendix 2: -

Pumping Appliances	The amended budget allowed for the remaining stage payments for 7 pumping appliances for the 2018/19 programme, which had all now been delivered, in line with the budget, no further spend
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	was expected.
Other vehicles	The amended budget allowed for the replacement of support vehicles which were reviewed prior to replacement, with limited further spend anticipated prior to the year end. Delivery had been taken of all vehicles ordered in the year and the spend was broadly in line with the budget.
Building Modifications	This budget allowed for: <ul style="list-style-type: none"> • Provision of a new workshop, BA Recovery and Trainer facility at STC. Work was ongoing on site, as the committed expenditure to date reflected, and the anticipated year end spend was circa £1.1m, however the majority of the budget would be spent in the next financial year and was removed from the 2020/21 budget; • South Shore refurbishment and extension was underway as the committed expenditure to date reflected, and was expected to be largely complete by the end of March.

The committed costs to date would be met by revenue contributions, with the excess of contributions in year being put into the capital funding reserve.

Delivery against savings targets

The current position on savings targets identified during the budget setting process, hence removed from the 2020/21 budget and performance to date against this target was reported. The performance to date was significantly ahead of target, largely due to savings in respect of staffing, smoke detectors and Procurement savings. The savings target for the financial year had already been exceeded.

County Councillor O'Toole queried why the revenue budget underspend at the end of January was shown as £0.6m and the equivalent value of virements and transfers (as reported in the first 2 paragraphs of the report) resulted in an underspend of £0.4m. In response the Director of Corporate Services confirmed that these figures were not comparable; given the timing of the underspends continued throughout the year and that some of the adjustment transfers had already been made.

In response to a question raised by County Councillor O'Toole regarding the Non DFM budget which reflected a £0.4m funding gap at the time of setting the budget, the Director of Corporate Services confirmed that the funding gap referred to in the report was the one identified in February 2020 when the budget was set for 2021. At that time there were a lot of assumptions made and it would have been difficult to predict for example, the number of early leavers and the impact of the pandemic. This financial monitoring report identified where variances occurred and explained why there were differences to the assumptions made.

In relation to the Covid-19 expenditure on home working equipment, Councillor Williams asked whether there was a contingency plan for the equipment once the pandemic was over. In response, the Director of Corporate Services advised that the cost related to a mix of equipment for the use of staff working remotely and also for the equipment needed to facilitate the Authority's meetings. Consideration was being given to the benefits of remote working for those able to do so and the equipment would be used to facilitate this going forwards.

In response to a further question from Councillor Williams regarding budgeting for the costs of technological changes and the maintenance and upgrading of equipment the Director of Corporate Services advised that budgets were agreed with Departmental Heads and given the age of the equipment this would perhaps be in 18 months' time. Changes would more likely be the use of the infrastructure and its effectiveness for example, consideration was currently being given to the resilience of YouTube to live stream these meetings. He felt it was important in the long term to ensure there was sufficient budget to keep pace with the changes.

In response to a question raised by County Councillor Wilkins regarding whether checks were being made on the expiry dates of PPE the Director of Corporate Services confirmed that the lifespan depended on what the PPE was for and the Service made sure it was fit for purpose, met the safety standard and was within its life. He did not suspect there would be a need to replace a lot of PPE within the next 12 months which was under ongoing review. He confirmed the main focus for spend in the next 12 months was likely to be staff costs for supporting the vaccination programme.

County Councillor Wilkins queried the use of CCTV on vehicles and whether there had been any discussions with the Fire Brigades Union (FBU) regarding how it protected firefighters and equipment. In response, the Director of People and Development advised that there had been discussions with the FBU over many years. He confirmed they were aware of the cameras and how this assisted staff if they were subject to assault or if they were involved in an accident or incident as the camera assisted in apportioning blame. FBU concern originally was CCTV being used for disciplinary and although this could not be discounted it had proven not to be the case. The CCTV also assisted with ongoing driver training.

RESOLVED: - That the Committee noted and endorsed the financial position, and approved the following virements:

- to transfer £0.5m unspent budgets across several departments into earmarked reserves for spend in the next financial year; and
- to transfer £0.1m into the Covid fund in relation to underspends on fuel and other vehicle running costs as reported.

110/19 DATE AND TIME OF NEXT MEETING

The next meeting of the Committee would be held on Wednesday, 7 July 2021 at 1000 hours in – venue to be agreed.

Further meeting dates were noted for 29 September 2021 and 1 December 2021 and agreed for 30 March 2022.

111/19 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.

112/19 PENSIONS UPDATE

(Paragraphs 3 and 4)

The Director of People and Development updated Members on the current position in respect of fire service pension schemes.

RESOLVED: - That the Committee noted the recommendation as outlined in the report.

113/19 SICKNESS UPDATE

(Paragraphs 1, 2 and 3)

Members considered additional information in relation sick pay arrangements agreed at the last meeting.

RESOLVED: - That the Committee determined to reaffirm the decision made at the last meeting to retain the current guidance as outlined in the report.

114/19 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