

Lancashire Combined Fire Authority Resources Committee

Wednesday, 29 March 2023, at 10.00 am in the Main Conference Room,
Service Headquarters, Fulwood.

Minutes

Present:	
Councillors	
S Rigby (Chair)	
D O'Toole (Vice-Chair)	
T Hurn	
J Mein	
M Pattison	
R Scott	
R Woollam	
B Yates	

Officers
S Healey, Deputy Chief Fire Officer (LFRS) K Mattinson, Director of Corporate Services (LFRS) B Warren, Director of People and Development (LFRS) M Nolan, Clerk and Monitoring Officer to the Authority J Johnson, Interim Head of ICT (LFRS) D Brooks, Principal Member Services Officer (LFRS)
In attendance
K Wilkie, Fire Brigades Union

39/22	Chairman's Announcement
	<p>This was the last meeting which would be attended by Mr Keith Mattinson as Director of Corporate Services and Treasurer to the Authority.</p> <p>Mr Mattinson advised that the new Director of Corporate Services was Mr Steven Brown who, following a hand over period during March would be formally starting in the role from 3 April 2023.</p> <p>On behalf of the Committee, the Chairman thanked Mr Mattinson for all his hard work over the years and wished him well in his retirement.</p>
40/22	Apologies for Absence
	Apologies were received from County Councillors Lorraine Beavers and Sean Serridge.

41/22	Disclosure of Pecuniary and Non-Pecuniary Interests		
	None received.		
42/22	Minutes of the Previous Meeting		
	Resolved: That the Minutes of the last meeting held on 30 November 2022 be confirmed as a correct record and signed by the Chairman.		
43/22	Financial Monitoring		
	<p>The Director of Corporate Services presented the report which set out the current budget position in respect of the 2022/23 revenue and capital budgets.</p> <p>The overall position at the end of January was an overspend of £1.3m, largely as a result of unfunded pay awards and inflationary pressures.</p> <p>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: -</p>		
	Area	Overspend/ (Under spend) £'000	Reason
	Fleet & Technical Services	174	As reported in November, fuel had continued to overspend to £124k to date due to the sharp increase in fuel costs early this year. A slight reduction was now being seen as fuel prices started to decrease. An increase in mileage post pandemic had also been attributed to increased costs. Repair costs were overspent to date by £70k due to inflationary pressures. It was projected both these areas would continue to overspend.
	Information Technology	44	The overspend had reduced since November mainly due to timing of expenditure. Several software licences were prepaid earlier in the year levelling out in the latter part. There had been a general increase in costs, again reflecting inflationary pressures.
	Property	583	Increased energy costs continued to cause significant overspend totalling £407k to date, however costs were not as severe as initially anticipated following the introduction of the business support scheme. Inflationary pressures continued to cause the maintenance costs to overspend, accounting for the balance of the overspend.
	Pensions	(73)	The underspend on pensions was due to fewer individuals retiring on ill health than budgeted. To date there was just one retirement due to ill health.

Non DFM	(585)	The underspend was due to an increase in interest rates resulting in receiving an additional £400k interest to date. Also £102k VAT had been awarded back from the purchase of operational vehicles, having successfully challenged HMRC.
Wholetime Pay	857	Pay had significantly increased by £1m since November reporting due to the agreed 7% pay award for grey book, considerably higher than the budgeted 2%. Retirements and leavers were higher than anticipated, with this and a slight shortfall in recruit numbers being offset by increased overtime.
On Call Pay	5	This was broadly in line with budget having reflected the pay award.
Support staff (less agency staff)	110	The current position reflected the green book pay award, which was £1,925 per full time equivalent. This was significantly higher than the budgeted allowance of 2% and had increased costs over and above budget by approx. £400k by year end (please note at the time of writing the previous report it had been assumed that the pay award would equate to approx. 5%, however based on actual staff mix in year the actual costs were significantly higher at approx. 6.5%). This was partly offset by vacancies within the year, where recruitment had continued to be challenging, reflecting the employment market. And where use of temporary / agency staff had continued to cover some key posts.

Inflationary pressures and pay awards would continue to impact the budget for the remainder of the year, resulting in a year end overspend which was anticipated being approx. £1.5m to £1.75m. (This had not yet been finalised with the move onto a new finance system, provided by Lancashire County Council, which had resulted in some downtime and some challenges in extracting information from the system.)

As such reserves would be needed to offset this. The current general reserves held was £6.0m, having agreed a minimum level of £3.75m, and as such had sufficient reserves to meet this.

Capital Budget

Following the slippage previously agreed at the last Resources Committees the capital budget now stood at £3.3m. Spend to date was just £1.3m as set out below, with further details considered by Members in Appendix 2: -

	Revised Programme	Spend to 31 January	
	£m	£m	
Operational vehicles	0.9	-	As reported previously whilst a significant number of operational vehicles had been ordered: (13 pumping appliances, 2 Command Units and an ALP) lead times were such that there had been no expenditure occurred in the year to date. Whilst a staged payment profile had been agreed for these vehicles it appeared increasingly unlikely that any such costs would be incurred in year
Support vehicles	0.4	0.3	This budget allowed for the replacement of various operational support vehicles, whilst some of these had already been delivered, the shortage of raw materials had affected both the timeframe for delivery and the cost of vehicles. Again, it appeared increasingly unlikely that all of the allocated funding would be spent in year.
Operational Equipment	0.3	0.1	Spend to date was attributable to the replacement of light portable pumps. An additional £0.2m spend on CCTV for pumping appliances was anticipated in-year.
Building Modifications	0.8	0.6	Spend to date was associated with:- <ul style="list-style-type: none"> Enhanced facilities at Hyndburn fire stations, where works had been completed, at a cost of £0.2m The replacement of drill towers, where Blackpool, Tarleton and Bolton le Sands had all been completed, at a cost of £0.4m
IT systems	0.9	0.3	Expenditure to date related to a combination of replacement Vehicle Mounted Data Systems on appliances, the purchase of new Coverage Software, to aid

			with dynamic mobilizing, and the purchase of Incident Command Software.
Total	3.3	1.3	

It was clear that the 2022/23 capital programme would not be fully utilised and hence would need to slip funding into 2023/24 to meet future costs, the extent of this would be reported as part of the year end capital outturn.

The costs to date would be met by revenue contributions, as reflect in the revenue budget year end forecast.

It was highlighted that there remained significant cost increases across various supply chains, and in particular in construction projects which would affect some of the capital projects as they progressed through the procurement stage.

In response to a comment from CC Rigby, the Director of Corporate Services advised that there had been some difficulties with the introduction of a new financial system run by Lancashire County Council (LCC) which had resulted in this report being circulated late and normally it would have been possible to produce a year end forecast. The Service was however, working with LCC to resolve the issues which may have some impact on the year end processes.

Resolved: That the Committee:

- i) noted and endorsed the current financial position; and
- ii) noted the anticipated year end forecast overspend of between £1.5m and £1.75m.

44/22

ICT Plan 2022 - 2027

The Deputy Chief Fire Officer presented the ICT Plan for Member consideration and introduced Jack Johnson, Interim Head of ICT who was covering the post due to long-term sickness and who had prepared the report.

The ICT Plan supported the Data and Digital Strategy. It set out the programme of investment, which underpinned the business strategies that formed the Community Risk Management Plan (CRMP) 2022-27.

Data and Digital information were essential for Lancashire Fire and Rescue Service (LFRS) to improve fire response, prevention and protection services to the public given a huge amount of activity was dependent on effective use of data and information. It was acknowledged that best practice guidelines from central Government, together with other partner agency collaborations, would be considered wherever possible. The Service would also look to align itself with established and accepted best practices and working patterns from across the technology sector.

Key objectives set within the ICT Plan aimed to support the creation of a positive, inclusive culture that encouraged innovation and continuous improvement. Achieving the right culture enabled the delivery of the best services and supported LFRS to be an outstanding fire and rescue service for our communities and visitors.

The ICT Plan focussed on ensuring that the workforce: i) could make effective use of technology to communicate, safely store and share information; ii) could work effectively from anywhere using the most appropriate device for their role, intrinsically increasing efficiency; iii) had easy access to data and intelligence relevant to their role and that the information was current to help increase safety and reduce risk; iv) was digitally engaged in the organisation and champion a digital first culture; and v) technology solutions were secure, but still allowed the workforce to work effectively and efficiently.

The report contained a glossary of technical terms and acronyms to support understanding. Key elements of the ICT Plan were:

- Service Support kept operations running smoothly as well as taking ICT service requests via the Helpdesk;
- Ongoing partnership work with the Prince's Trust was through the delivery of WiFi, printing, iPads, projectors, and computers/monitors for all Prince's Trust students;
- Network Connectivity provided a robust and reliable network infrastructure that connected services across fire stations essential for effective and efficient service delivery. Network links connected the Service's 39 stations to central data centres located at Headquarters, North West Fire Control, Service Training Centre, Lancashire County Council for collaboration and delivery of the service's financial systems and to the Internet.
- Storage to protect data from unauthorised access, modification, or deletion.
- Virtualisation - The strategic direction across UK Government was now 'Digital by Default, Cloud First' which required public sector organisations to consider and fully evaluate cloud solutions first before considering other options. The term 'virtualisation' meant that software was used to create an abstraction layer over computer hardware which allowed the hardware elements of a single computer processor, memory, storage and more to be divided into multiple virtual computers, commonly called virtual machines each running its own operating system. This enabled more efficient use of physical computer hardware and allowed a greater return on hardware investment. Members noted that 90% of LFRS' servers were virtualised.
- Mobile Device Management was the remote control, monitoring and enforcement of policies on employee devices to support staff to securely work off-premises.
- Telephony Solution – hosted desk-based phone services.
- Communications - to ensure the integrity, performance and availability of LFRS' operational communications infrastructure, in particular the key functional areas of the Airwave radio system and Mobile Data Terminal, in adherence with published and acknowledged best practice standards.
- Cyber Security –given the security landscape was changing rapidly there was the need to evolve at a pace to reduce the likelihood and impact of a cyber-attack; best practice standards set by the National Cyber Security Centre had changed according to that change in the threat landscape. LFRS had been awarded both Cyber Essentials and Cyber Essentials Plus accreditation, which were government backed schemes that involved external auditing of IT systems. The certification also allowed for better collaboration with other authorities given the growing requirement to be security compliant.

The Authority Chairman thought the document had been laid out in a way which was easy to understand. He requested that a short presentation be given by the Interim Head of ICT at the next Strategy Group meeting, and the ICT Plan be circulated to all Members at that time.

CC Woollam queried the Service's use of TikTok in light of nationally reported potential security concerns. In response, the Interim Head of ICT advised that the Government's National Cyber Security Centre had removed TikTok from Government devices. He reassured Members that Service mobile devices were managed by ICT and the only department with access to use TikTok was corporate communications.

Cllr Scott queried the ability for Fire Services to communicate with each other. In response the Interim Head of ICT advised that Airwave was the system currently being used which would be replaced by the Emergency Services Mobile Communications Programme (ESMCP). This would move systems from analogue to digital to deliver the new Emergency Services Network (ESN) critical communications system. He reassured Members that Fire Services did communicate effectively with each other. The move to digital would improve efficiencies and enable blue light services to have fast, safe and secure voice, video and data across the 4G network and give first responders immediate access to life-saving data, images and information in live situations and emergencies on the frontline.

In response to a question raised by CC Rigby the Interim Head of ICT advised that the 4G network would be upgraded as required to maintain the highest specification.

Resolved: That the report be noted and the ICT Plan endorsed.

45/22

Local Pension Board Annual Report 2021-23

The Director of People and Development presented the report which provided an update on the Lancashire Fire Local Pension Board for the period 1 April 2021 - 31 March 2023.

Members noted that the Public Service Pensions Act 2013 introduced the requirement to have a Local Pension Board to assist in the governance of the Scheme. The Board had no remit as a decision-making body but was established to assist the Scheme Manager to fulfil functions which covered all aspects of governance and administration of the Firefighters' Pension Scheme. The Authority was the Pension Scheme Manager and this responsibility had been delegated to the Director of People and Development. The Board's Terms of Reference required that it met approximately twice a year and the Chair of the Board could call additional meetings as required. It was noted that there were two meetings held per year during the period as planned.

Membership

Three new members were appointed to the Board during the year 2021-22, a Chair, one employer and one employee representative. All changes were carried out in accordance with the Board's Terms of Reference. There were no further changes to the Board membership in 2022-23.

Work Programme during 2021/22

During the period 2021/23, the hard work and commitment of everyone who had contributed to the work activities involved in fire pensions, meant that key activities continued to be delivered and projects progressed. The focus had been on the following 3 major projects: i) the implementation and backdating of pensionable allowances within LFRS e.g., Day Crewing Plus Allowance; ii) the Sargeant/McCloud judgement relating to age discrimination; and iii) Matthews's judgement affecting on-call members commonly referred to as the 'Second Options Exercise'.

The implementation of pensionable allowances within LFRS commenced in June 2020 when certain allowances were deemed pensionable for future payments. Around April 2021 significant and complex work commenced on arrangements for backdating contributions for existing and former employees. Knowledge and capacity to undertake this project was initially sought via two existing members of the Human Resources Team. However, in September 2021 a Temporary Pensions Coordinator was appointed to assist with this workload. Over 350 individual calculations were undertaken to ensure employee pension contributions for the whole of the backdating period (1/6/2015 – 31/5/2020) were corrected, with repayment arrangements put into place where appropriate. In addition, LFRS worked with its pension administrators, the Local Pensions Partnership (LPPA) to ensure backdated pension payments to retired members. In March 2022, a Temporary Pensions Advisor was also appointed, with a focus on delivering the requirements of the Sargeant/McCloud and Matthews cases. Although complex, Officers worked with key stakeholders to gain understanding and establish the workloads involved, to successfully process the relevant pensions once the regulations are in place. Significant work had already taken place and was continuing. The Board had received and considered update reports at key project milestones.

The Board had also been informed about a number of complex cases which had been dealt with over this period, including through the Internal Dispute Resolution Procedure (Appeals). It continued to focus on key areas identified by the Pensions Regulator and maintaining an oversight of the key risks to the fund. A Risk Register was developed in October 2021 which had been reviewed at subsequent Board meetings.

Training

To support their work on the Fire Local Pension Board, members continued to maintain and develop their knowledge and skills. External training opportunities were limited during this time, due to the effect of the pandemic however, the Board had access to regular LGA monthly bulletins and the website and had utilised the 'Pension Regulators Public Service toolkit' to develop their knowledge. In addition, one member attended the LGA Fire Pension Scheme Annual General Meeting.

Looking forward to 2023/24

The Work Plan of the Board would focus on the principal activities of the Scheme as currently anticipated, which included: i) Continuing to improve pension administration arrangements for the benefit of all members and employers of the Scheme including the continual improvement programme for the quality of data held by the Scheme; ii) Appraising the impact of any revised regulations arising from the resolution to the Sargeant age discrimination and

	<p>the Matthew's cases and implementing any required changes to the Scheme; iii) Assessing the impact of and responding to consultations that would have an impact on the Lancashire Firefighters Pension Schemes; iv) Appraising the impact of the implementation of the Pensions Dashboard; and v) Enhancing Board knowledge and skills.</p> <p>The Plan would be reviewed and amended where appropriate to ensure it addressed any relevant issues which arose.</p> <p>The Chairman of the Authority commented that issues with pension arrangements had been ongoing for a considerable length of time which was confusing for everyone and understandably frustrating for staff.</p> <p>In response to questions raised by CC Woollam, the Director of People and Development provided reassurance that part of the role of the Pension Board was to communicate factual and accurate information with staff however, it was acknowledged that the issues were complicated and sometimes people were looking for different answers. He confirmed that no one retired with less pension than they had expected. He also confirmed that regular seminars were held for people approaching retirement. Elements were delivered separately for operational and support staff due to the differing pension schemes and they included presentations from the local pension partnership administrators who outlined options available which did not include investment advice.</p> <p>The Clerk advised that together with the Director of People and Development they had met with a senior barrister in London, over three years ago, to seek advice regarding legislation and case law in order to put the Service in the best possible place to ensure that pension entitlement was properly overseen and there was no agreed algorithm that took into account the significant number of variables involved in calculating each firefighter's pension. In response to a question from CC Mein, the Clerk advised that it was possible to provide a synopsis of the McCloud / Sargeant judgement outside the meeting and most likely at the next Strategy Group Day.</p> <p>Resolved: that the report be noted.</p>
46/22	<p>Date and Time of Next Meeting</p>
	<p>The next meeting of the Committee would be held on Wednesday, 12 July 2023 at 1000 hours in the Main Conference Room at Lancashire Fire and Rescue Service Headquarters, Fulwood.</p> <p>Further meeting dates were noted for 27 September 2023 and 29 November 2023 and agreed for 27 March 2024.</p>
47/22	<p>Exclusion of Press and Public</p>
	<p>Resolved: That the press and members of the public be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph of Part 1 of Schedule 12A to the Local Government Act 1972, indicated under the heading to the item.</p>

48/22	<p>Pensions Update</p>
	<p>(Paragraphs 4 and 5)</p> <p>Members considered a report that provided an update on the various issues which had arisen in respect of the changes to the pension schemes applying to the uniformed members of the Fire Sector.</p> <p>Resolved: that the report be noted.</p>
49/22	<p>IDRP Stage 2</p>
	<p>(Paragraphs 1, 4 and 5)</p> <p>Members considered a report regarding an IDRP Stage 2 application under the Internal Disputes Resolution Procedure. The report outlined the facts of the case.</p> <p>Resolved: That the Committee declined the application presented.</p>
50/22	<p>High Value Procurement Projects</p>
	<p>(Paragraph 3)</p> <p>Members considered a report that provided an update on all contracts for one-off purchases valued in excess of £100,000 and high value procurement projects in excess of £100,000 including: new contract awards, progress of ongoing projects and details of new projects.</p> <p>Resolved: That the Committee noted and endorsed the report.</p>

M Nolan
Clerk to CFA

LFRS HQ
Fulwood