

# Lancashire Combined Fire Authority

## Lancashire Combined Fire Authority

Monday, 19 February 2024, at 10.30 am in the Washington Hall, Service Training Centre, Euxton.

### Minutes

<b>Present:</b>	
<b>Councillors</b>	
D O'Toole (Chair)	
J Shedwick (Vice-Chair)	
G Baker	
P Britcliffe	
S Clarke	
M Dad BEM	
N Hennessy	
D Howarth	
J Hugo	
F Jackson	
H Khan	
Z Khan MBE	
J Mein	
S Morris	
M Pattison	
J Rigby	
P Rigby	
M Salter	
S Serridge	
J Singleton	
D Smith	
R Woollam	
B Yates	

<b>Officers</b>
J Johnston, Chief Fire Officer (LFRS) S Healey, Deputy Chief Fire Officer (LFRS) J Charters, Assistant Chief Fire Officer (LFRS) S Brown, Director of Corporate Services (LFRS) B Warren, Director of People and Development (LFRS) T Powell, Group Manager, Corporate Programme and Intelligence (LFRS) E Sandiford, Head of Human Resources (LFRS) S Collinson, Head of Communications M Nolan, Clerk L Barr, Member Services Officer

<b>In attendance</b>	
K Wilkie, Fire Brigades Union	
59/23	<b>Chairman's Welcome and Introduction</b>
	<p>The Chair welcomed Members to the meeting and announced that as they were considering the 2024/25 Council Tax Precept and Budget, any Member in arrears on their Council Tax could not vote or speak on that item.</p> <p>The Chair invited Members to a viewing of the Service's new Command Unit on the rise of the meeting.</p>
60/23	<b>Apologies for Absence</b>
	Apologies were received from County Councillors Lorraine Beavers and Terry Hurn.
61/23	<b>Disclosure of Pecuniary and non-Pecuniary Interests</b>
	None received.
62/23	<b>Minutes of Previous Meeting</b>
	<b>Resolved:</b> - That the Minutes of the CFA held on 18 December 2023 be confirmed and signed by the Chairman.
63/23	<b>Minutes of meeting Wednesday 13 December 2023 of Performance Committee</b>
	<b>Resolved:</b> - That the proceedings of the Performance Committee held on 13 December 2023 be noted.
64/23	<b>Pay Policy Statement 2024/25</b>
	<p>The Director of People and Development presented the report. In accordance with the provisions of the Localism Act 2011 a pay policy statement for 2024/25 was considered by Members.</p> <p>The pay policy published data on senior salaries and the structure of the workforce and it demonstrated the principles of transparency.</p> <p>The pay policy statement set out the Authority's policies for the financial year relating to: -</p> <ul style="list-style-type: none"> <li>- The remuneration of its chief officers;</li> <li>- The remuneration of its lowest paid employees;</li> <li>- The relationship between the remuneration of its chief officers and that of other employees who were not chief officers.</li> </ul>

	<p>The statement included: -</p> <ul style="list-style-type: none"> <li>- The level and elements of remuneration for each chief officer;</li> <li>- Remuneration range for chief officers on recruitment;</li> <li>- Methodology for increases and additions to remuneration for each chief officer;</li> <li>- The use of performance-related pay for chief officers;</li> <li>- The use of bonuses for chief officers;</li> <li>- The approach to the payment of chief officers on their ceasing to hold office under, or be employed by, the authority, and</li> <li>- The publication of and access to information relating to the remuneration of chief officers.</li> </ul> <p>It also included the Authority's policies for the financial year relating to other terms and conditions applying to its chief officers.</p> <p><b>Resolved:</b> - That the Pay Policy Statement be approved.</p>
65/23	<p><b>Budget Report 2024/25</b></p>
	<p>The Director of Corporate Services / Treasurer advised that the 4 appendices in the Budget Report were linked, with changes in one impacting on the others: A) the Medium Term Financial Strategy (MTFS) set out the financial outlook and estimated borrowing over the next five years, B) the Capital Strategy set out major expenditure for investment for investment within the Service (including the ten-year capital programme), C) the Reserves Strategy set out savings and how they were planned to be used over the next 5 years, and D) the Treasury Management Strategy set out investment, borrowing, repayment and how money was set aside to repay borrowing.</p> <p>The Director of Corporate Services / Treasurer presented the report that set out the Council Tax Precept and Budget for 2024/25 along with the associated appended documents.</p> <p>The Authority was required to set a balanced budget and council tax precept for the next financial year by 1 March 2024. The Authority had to ensure it:</p> <ul style="list-style-type: none"> <li>• Considered the link between capital investment decisions and the revenue implications.</li> <li>• Considered the Treasury Management implications of revenue and capital decisions.</li> <li>• Provided value for money.</li> <li>• Reflected best practice.</li> </ul> <p>The Budget and appended documents in the report formed the Service's financial strategies which were part of our strategic planning activity and governance framework which set out the direction of the Service and how it would achieve the aim of making Lancashire safer. These financial strategies were one of six core strategies that set out how Lancashire Fire and Rescue Service (LFRS), would provide services in line with the following priorities in the five-year Community Risk Management Plan (CRMP):</p>

- Valuing our people.
- Preventing fires.
- Protecting people and property.
- Responding to fire and other emergencies.
- Delivering value for money.

### **Financial Context**

The economy in 2024 was expected to struggle as inflation was forecast to remain above the government set target of 2% until the end of 2025. According to the Bank of England, increased borrowing costs and weak Gross Domestic Product (GDP) growth resulted in a 50-50 chance of recession in 2024.

The public sector continued to face substantial challenges, among them rising demands and reducing financial resilience. Nationally, Fire and Rescue Services continued to face inflationary pressures because of significant increases in running costs and demand pressures, such as responding to climate change emergencies.

### **Funding**

The funding for the fire sector had changed in the last 15 years. The 2008 banking crisis was followed by a period of austerity in the sector. During this period, government grants for the fire sector reduced; in cash terms the main grant, the Revenue Support Grant (RSG), for Lancashire reduced from £19m (35% of the funding) to £10m (14% of the funding).

Changes to the funding methodology during this period also meant that changes in the economy, which impacted on benefit claimant numbers or business rates, now impacted on funding levels. Council Tax and Business Rates represented 85% of the Service's funding and these changes had presented an additional risk.

Funding for capital schemes had also changed over this period with the sector now almost exclusively funding new capital schemes from local sources of funding such as revenue contributions, reserves, capital receipts and borrowing (this was repaid from revenue budgets).

On 5 February 2024, the Secretary of State for the Department for Levelling Up, Housing and Communities (DLUHC), released the final local government finance settlement for 2024/25. It was for one year only and based on the Spending Review 2021 (SR21) funding levels, updated for the 2023 Autumn Statement announcements. The main headlines for the 2024/25 budget were:

- The council tax referendum limit would be 2.99% The fire sector had lobbied for a £5 increase (equivalent to 6.1% for the Authority) that was consistent with 2023/24 and reflected current inflationary and demand pressures.
- The Fire Services Pension Grant of £3.3m had been included in the Revenue Support Grant (RSG) from 2024/25, it was previously included in the Service net budget. This had no overall impact, but it increased the Service's net budget and sources of income by £3.3m.
- The September CPI figure of 6.7% had been applied to increase business

- rates grants funding (£12.1m) and the Revenue Support Grant (£13.5m).
- The Services Grant reduced from £0.6m in 2023/24 to £0.1m in 2024/25.
- One year Funding Guarantee Grant received of £0.9m. The Service did not receive this in 2023/24 but it ensured that each authority's funding overall increased by at least 4%.

It was noted that it was disappointing not to have received the £5 council tax referendum limit lobbied for, alongside a reduced Services Grant of £0.5m; a £5 increase would have provided an additional £1.2m in 2024/25.

Long term planning was essential and whilst a one-year settlement was expected, as there would be a general election before 2025, the Service would continue to lobby for a longer-term planning horizon. However, the timing of the election could impact on whether there was time for a longer-term settlement from 2025/26. Together with the uncertainty on the timing and potential impact of policy changes that could affect the overall funding level, such as the Fair Funding Review and review of Business Rates Retention, there was uncertainty around future funding assumptions.

Council Tax income was based on the precept approved by the Authority and the estimated taxbase; this was the number of Band D equivalent properties in the area. Factors that influenced the taxbase included changes to property numbers, collection rates in each local authority, local authority discounts and changes in benefit claimants. The estimated taxbase for 2024/25 increased by 1.38% compared with 1.82% in 2023/24.

At the end of each year, an adjustment was made to the Council Tax to reflect the previous year's actual council tax collection; this could lead to a surplus or deficit. The total surplus for 2024/25 on the Council Tax and Business rates collection funds was £0.1m and £0.1m respectively; this was £0.2m less in total than in 2023/24.

### **Proposed Revenue Budget 2024/25**

The 2024/25 budget proposals were based on the latest funding assumption set out in the report. A maximum increase in the council tax precept allowed of 2.99% at D was assumed, which provided additional funding of £1.1m compared to 2023/24 which resulted in an overall net revenue budget of £75.2m. Based on the information and assumption, the following table set out the proposed 2024/25 budget:

#### **Budget Proposals 2024/25**

		<b>£'m</b>
<b>Budget</b>	Base Budget*	71.6
	Inflation	2.5
	Commitments	1.3
	Resourcing – permanent	0.7
	One-off items	0.5
	Contribution to Capital	(1.5)
	<b>Proposed Budget Requirement</b>	<b>75.2</b>

Funding	Council Tax	(39.4)
	Business Rates	(21.3)
	Revenue Support Grant	(13.5)
	Other Grants	(1.0)
	<b>Total Funding (Net Budget Requirement)</b>	<b>(75.2)</b>

Precept (Council Tax – Band D)

**£84.73**

Increase from 2023/24 Band D of £82.27

**£2.46**

\* Note: the base budget had been adjusted to reflect the transfer of the Pensions Grant to Revenue Support Grant.

The table demonstrated that the proposal delivered a balanced budget as required by law. If the precept was reduced, additional savings would be required, for example, a reduction of 1% would reduce funding by £0.4m.

The main elements that made up the Proposed Budget Requirement for 2024/25 were set out within the MTFS (Appendix A):

- Inflation – An allowance of 3% for pay awards in 2024/25 had been included with 2% thereafter. Specific increases in price inflation for known areas had been assumed. Other non-pay budgets had increased by the latest Office of Budget Responsibility (OBR) CPI figures; 3% in 2024/25 and 2% thereafter. If pay awards were higher than assumed, they would need to be met from reserves or in year savings in 2024/25 with additional savings made in future years. Each 1% increase resulted in an additional £0.5m and £0.1m for Grey book and Green book staff, respectively.
- Commitments – These reflected the impact of previous decisions that had a financial consequence in 2024/25 or were due to policy, legal or regulatory changes. The commitments included:
  - The Authority reaffirmed their commitment to North West Fire Control in December 2023 which included an increased contribution to their costs due to changes in activity levels which resulted in an increase of £0.2m.
  - The reduction in interest rates had resulted in a loss of investment income of £0.4m in 2024/25.
  - Vacancy levels across the organisation were forecast to be lower in 2024/25 along with more staff expected to reach Competency which resulted in an increase establishment cost of £0.4m in 2024/25.
  - The Emergency Cover Review (ECR) approved by the Authority in 2022 had resulted in an overall increase of 8 Wholetime Firefighters across the Service. In 2024/25, there was a resourcing commitment of £0.2m as previously agreed, to fund these posts.
- Resourcing – permanent – Several growth proposals were included in the budget for 2024/25 which included:
  - As reported in the budget monitoring reports to the Resources Committee, there was a need to rebase the apprenticeship levy income budget by £0.3m to reflect the expected income profile because more new recruits had prior learning which did not attract a levy.
  - Additional costs of £0.4m were necessary to meet the Service’s digital ambitions to enable developments that improved our resilience,

productivity, and efficiency.

- One off items included:
  - Opportunities for four non-operational apprentices for two years had been identified that resulted in a one off item of £0.1m.
  - Additional short term funding of £0.4m was provided to meet resourcing pressures in support services.
- Contribution to Capital – A reduction in the Contribution to Capital of £1.5m was proposed which resulted in a revenue contribution of £2.5m in 2024/25; this was consistent with the average contribution made over the previous 10 years.

### Council Tax Precept

Council Tax funding was based on the estimated taxbase (band D equivalents) provided by each local authority. Compared to 2023/24. The overall taxbase had increased by 1.38% (6,319 properties), last year the increase was 1.82%. The table showed the number of Band D equivalents and proposed precept for each local authority based on the precept increase of 2.99%

Table 3 – Proposed Precepts 2024/25

	Number of Band D Equivalents	Precept on Collection Fund
Burnley Borough Council	23,844	2,020,299
Chorley Borough Council	38,641	3,274,030
Fylde Borough Council	32,208	2,728,980
Hyndburn Borough Council	22,095	1,872,107
Lancaster City Council	42,583	3,608,052
Pendle Borough Council	24,957	2,114,586
Preston City Council	42,650	3,613,721
Ribble Valley Borough Council	25,321	2,145,445
Rossendale Borough Council	20,891	1,770,092
South Ribble Borough Council	37,758	3,199,206
West Lancashire District Council	38,357	3,249,946
Wyre Borough Council	39,138	3,316,198
Blackburn with Darwen Borough Council	37,070	3,140,915
Blackpool Council	38,756	3,283,791
<b>Total</b>	<b>464,268</b>	<b>39,337,368</b>

Band	Proposed 2024/25 £	Actual 2023/24 £	Change per year £	Change per week £p
A	56.49	54.85	1.64	0.03
B	65.90	63.99	1.91	0.04
C	75.32	73.13	2.19	0.04
D	84.73	82.27	2.46	0.05

E	103.56	100.55	3.01	0.06
F	122.39	118.83	3.56	0.07
G	141.22	137.12	4.10	0.08
H	169.46	164.54	4.92	0.09

The increase for a Band D property per year was £2.46; which was 5 pence per week.

It was noted that LFRS was in the bottom third of Fire and Rescue Services in terms of the value of its precept which represented value for money for tax payers.

### Medium Term Financial Strategy

The purpose of the Medium Term Financial Strategy (MTFS) was to provide the Authority, staff, the public and other stakeholders with information on the financial outlook and the estimated available funding over the next five years. It took into account future estimates on funding and potential high-level revenue and capital expenditure over the period.

#### Revenue MTFS

	24/25 £m	25/26 £m	26/27 £m	27/28 £m	28/29 £m
Base Budget	71.6	75.2	76.5	78.7	81.0
Inflation	2.5	1.6	1.6	1.6	1.6
Commitments	1.3	(0.0)	0.5	0.1	(0.3)
Resourcing – permanent	0.7	0.6	1.4	0.4	0.5
One-off items	0.5	(0.3)	0.2	(0.3)	0.1
Savings	(1.5)	(0.5)	(1.5)	0.5	0.5
<b>Net Budget</b>	<b>75.2</b>	<b>76.5</b>	<b>78.7</b>	<b>81.0</b>	<b>83.5</b>
Council Tax	(39.4)	(40.8)	(42.4)	(44.0)	(45.7)
Business Rates	(21.3)	(21.7)	(22.1)	(22.6)	(23.0)
Revenue Support Grant	(13.5)	(13.9)	(14.1)	(14.4)	(14.7)
Other Grants	(1.0)	(0.1)	(0.1)	(0.1)	(0.1)
<b>Funding</b>	<b>(75.2)</b>	<b>(76.5)</b>	<b>(78.7)</b>	<b>(81.0)</b>	<b>(83.5)</b>

Note that Council Tax increases were assumed at 2.99% per annum.

Some of the key financial assumptions and estimates were:

- Inflation – The pay awards for 2024/25 were estimated at 3% then 2% thereafter. Non-pay budgets had increased by the latest Office of Budget Responsibility (OBR) CPI figures; 3% in 2024/25 and 2% thereafter.
- Permanent Resourcing – These included:
  - An allowance was made in future years for replacement Personal Protective Equipment based on recommended lifespan.



- A reduction was forecast at the next valuation of the Local Government Pension Scheme surplus which resulted in a pressure in 2026/27 of £0.5m.
- Additional borrowing was required to meet the planned capital programme from 2025/26. This resulted in an overall increase in borrowing costs (repayment and interest) from 2025/26 of £0.3m, that would rise to £2.1m by 2028/29.
- Identified savings – These included:
  - The revenue contribution in the proposed capital programme each year from 2024/25 was £2.5m, £2m, £3m, £3m then £4m from 2028/29. The resulting change from the 2023/24 MTFs was (£1.5m), (£0.5m), £1m, £0m then £1m.
  - From 2026/27, efficiencies of £2.5m were required to be delivered and were included in the MTFs.
- Funding – Detailed assumptions were included in the MTFs, in broad terms the funding increased between 2% and 3%.

The key variables within the budget were inflation assumptions, in particular, pay awards, and funding levels. The MTFs considered a range of risks and scenarios that impacted on the MTFs.

### Capital Strategy

In addition to the revenue budgets, a programme of capital investment was proposed from 2024/25, this was set out in detail in the Capital Strategy. The purpose of the Strategy was to provide the Authority, staff, the public, and other stakeholders with information on the Capital plans. Capital plans needed to be affordable, prudent, and sustainable, and treasury management decisions taken in accordance with good professional practice and in full understanding of the risks involved.

### Capital Programme and Funding

	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Vehicles	3.2	1.6	1.6	1.6	2.1
Operational Equipment	1.3	1.0	0.9	0.4	0.6
Buildings	3.5	15.4	15.4	7.9	10.8
ICT	2.2	2.3	0.6	0.2	0.5
	<b>10.2</b>	<b>20.3</b>	<b>18.5</b>	<b>10.0</b>	<b>13.9</b>
<b>Funding</b>					
Revenue Contributions	2.5	2.0	3.0	3.5	4.0
Capital Reserve	7.7	11.1	0.0	0.0	0.0
Capital Receipts	0.0	0.0	0.0	5.0	0.0
Grants	0.0	1.0	0.0	0.0	0.0
Borrowing	0.0	6.2	15.5	1.5	9.9
<b>Total</b>	<b>10.2</b>	<b>20.3</b>	<b>18.5</b>	<b>10.0</b>	<b>13.9</b>

The current 2023/24 five-year capital programme approved by the Authority in February 2023 included three major projects; Headquarters relocation (£15m), Training Centre Props (£5m) and Preston replacement station (£10m). Together with the Member Capital Project Working Group, officers had been reviewing the scope of the projects and updating costings to reflect changes in prices and timings for these three major capital projects. The key changes considered by the working group was reflected by in the 2024/25 capital programme proposed which included:

- Headquarters relocation – The business case for the relocation of Headquarters recommended the value for money option of building a new Headquarters at the Training Centre. Alongside this, the working group also considered the future of Lancaster House at the Training Centre given the age and maintenance liabilities. The updated project was for a combined Headquarters and Training Facility at the Training Centre that replaced the current Headquarters at Fulwood and office / teaching space in Lancaster House. This would provide modern office and training facilities that met current environmental and design requirements and would also ensure that staff had the best facilities to support health and wellbeing by providing a safe and positive work environment. The costings were updated during the year to reflect the latest inflation forecast and an estimate of £18m was included in the programme between 2024/25 and 2026/27.
  - The relocation of Headquarters necessitated the need to invest in a new station to replace Fulwood either on the existing site or at an alternative location. This formed part of the Preston review but was included in the programme at an estimate of £7m in 2027/28 that was part funded by a capital receipt from the sale of the land at the Fulwood site.
- Training Centre Props – A modern and progressive service required high quality facilities to help in the initial training and ongoing maintenance of competency requirements across a broad spectrum of operational activities. The existing facilities were reviewed alongside more modern facilities in the region. The review identified that greater investment was required to meet the Services requirements and an estimate of £10m was included in the programme between 2024/25 and 2026/27.
- Preston replacement station – A review of emergency cover in Preston had commenced. The aim of the review was to create a new, modern station either in the same place or another location that served both staff and the local community well. To date, 25 sites had been considered and further work was ongoing, however many of the sites had been discounted due to unavailability. The budget remained at £10m and was programmed for the final year of the five-year programme, nonetheless, work was required in the short term on the current station, particularly on the welfare facilities and training area, and this had been included in the capital programme. The budget for the replacement remained at £10m and was programmed for 2028/29.

Whilst the projects had been sequenced, the Authority needed to remain flexible as the years that the projects were delivered could change due to opportunities of land and other matters, details of which would be discussed with the Working Group and approvals sought as required.

In the past, general capital grant funding had been received each year from the

Government which helped to fund annual replacement of vehicles, IT and operational equipment and capital maintenance of buildings. This general grant funding ended in 2014/15. As a result, all capital investment since then had been funded from the Authority's own resources unless specific funding was available. No further government capital grant funding was anticipated going forward. The level of reserves currently held would not be sufficient to fund the proposed capital works over the medium term and borrowing would therefore be required going forward to meet the capital programme. Borrowing incurred on-going costs of interest payments and the funding that was set aside to repay the loan in due course.

The Authority had not utilised borrowing to fund its capital programme and thus had one of the lowest levels of borrowing of all fire services in the country. However, the necessary investment in the estate could not be delivered without borrowing.

To fund the Capital Programme, in addition to utilising the Capital Reserve and revenue contributions, £31m of additional borrowing was required. The long-term revenue costs of this borrowing, based on the latest borrowing forecasts, was approximately £2.5m per annum which was included in the MTFs, and from 2026/27 would need to be met from efficiencies within the revenue budget.

Following the capital investment, the Authority's reserves and borrowing levels would be commensurate with similar sized fire services based on current levels across services.

### **Reserves Strategy**

Section 25 of the Local Government Act 2003 placed a requirement on the Section 151 Officer to formally report on the adequacy of the reserves. The Director of Corporate Services assessed this in the context of the strategic operational, and financial risks and opportunities facing the Authority.

While holding reserves was a recognised and recommended financial management tool, the levels of such reserves had to remain prudent, appropriate to the level of risk and opportunity and not excessive. This was set out within the Reserves Strategy which included details of the reserves held and their proposed usage over the next 5 years.

It was good practice to review reserves on a regular basis and during the year, a review of all reserves had been undertaken which had resulted in a number of changes.

The General Reserve exists to cover unforeseen risks and expenditure that could be incurred outside of planned budgets. The minimum level of General Reserve advised by the Treasurer for the 2023/24 budget was £3.75m. A generally accepted level was one that was equivalent to 5% of the net revenue budget but that must be considered alongside specific Authority risks; the previously advised level of £3.75m was about 5%. Considering the risks facing the Authority, the Treasurer recommended maintaining this minimum level for 2024/25. Following the review of reserves and forecast 2023/24 outturn, the level of the General Reserve at 1 April 2024 was estimated at £4.9m, this was above the minimum level of

General Reserve recommended.

### **Treasury Management**

Treasury Management covered the cashflow, investment and borrowing activities together with the impacts of budgetary decisions on such activities. The Treasury Management Strategy comprised of four main elements:

- Capital Expenditure Plans and Prudential Indicators.
- Borrowing Strategy and Prudential Limits.
- Annual Investment Strategy.
- Minimum Revenue Provision (MRP) Statement.

The Strategy reflected the revenue and capital estimates contained in the MTFS and Capital Strategy. Treasury Management in the public sector was heavily regulated and transparency with the Authority on its activities was paramount. The Resource Committee oversaw Treasury activities, but it was a legal requirement that the Authority approved the Strategy.

### **Statement of Robustness of Estimates**

Section 25 of the Local Government Act 2003 placed a requirement on the “Chief Finance Officer” of an Authority to report on the robustness of the estimates used in preparing the budget. There was then a requirement for the Authority to have regard to the report of the Chief Finance Officer when making decisions on its budget. At Lancashire Fire Authority, the Chief Finance Officer was the Director of Corporate Services.

The statutory requirement was reinforced by the Prudential Code, which required authorities to have regard to affordability when considering recommendations about future capital programmes.

The Authority had a medium term planning process that took account of service demands and the financial scenario covering a 5-year period to 2029. The aim of the Medium Term Financial Strategy was to provide a realistic and sustainable plan that reflected the Authority’s priorities and anticipated the future impact of current decisions. Alongside this, future capital programmes were planned and took into account forecast Government funding, borrowing limits and council tax.

For 2024/25, full consideration of these issues had led to:

- Policy and expenditure proposals that reflected the Local Government Finance.
- Settlement together with the ongoing revenue impact of new capital projects, whilst recognising the outstanding issues and uncertainties.
- A proposed capital financing budget based on the 2024/25 capital programme.

In assessing the robustness of the 2024/25 proposals and the estimates on which they are based, the Director of Corporate Services (DoCS) had been assured that:

- The budget proposals were based on the advice of service managers (supported by finance staff) or were based upon or supported by information that the DoCS considered reasonable to accept.
- The budget proposals had been fully reviewed and endorsed by the executive Board and the implications on performance, if any, had been identified and assessed.
- The proposed budget provided for all known future developments either within the revenue budget itself or as part of the Reserves Strategy.

When using estimates in preparing the budget, every effort was taken to ensure that they took into account the most up-to-date data. There was, however, always the potential for the actual impact to vary from the estimates used in setting the budget, particularly as a result of:

- Variations in the rate of price inflation, pay awards and pension increases;
- Service financial performance (i.e. variances on budgets);
- Ability to deliver policy proposals and/or achieve projected savings; and
- Unforeseen additional operational demands and activities.

The potential for unanticipated events to occur that could impact on the budget reinforced the importance of prudent financial management which included:

- The promotion of a robust approach to financial management that required budget holders to monitor expenditure against budget and to take early action in reporting and responding to projected variances;
- Regular reporting of the projected budgetary outturn supplemented by exception reports to prompt remedial action if necessary; and
- The maintenance is an appropriate and proportionate contingency, as part of the General Reserve, to cushion the impact of unexpected events and emergencies.

Based on the advice and assurances set out above, and the process by which the budget had been constructed, the DoCS was satisfied that the estimates were robust and could be relied upon for approval as part of the proposed budget.

In response to a question raised by County Councillor Singleton regarding council tax precept collection by district councils and how the proposed precept may not be reflective of the actual amount collected, the Director of Corporate Services confirmed that each district council provided an estimate of the level of council tax arrears expected over the coming year which was built into the council tax base. However, when the council tax base was set, district councils had a statutory responsibility to pay the amounts that had been agreed to be met and the Service remained in contact with Section 151 Officers concerning arrears. County Councillor Mein commented that she did not agree with County Councillor Singleton's comments as they did not reflect the correction position and should not be recorded in detail.

County Councillor Hennessy thanked the Director of Corporate Services and the Finance Team for the budget and commented that she understood that borrowing

was essential for investment.

County Councillor Mein asked, and it was confirmed by the Director of Corporate Services that the reduction in the Revenue Support Grant from £19m to £10m had occurred since 2010.

County Councillor Mein commented that she was disappointed that the Service had not received the council tax precept of £5, particularly considering that LFRS was in the lowest quartile in terms of value for its precept, and yet were one of the highest performing Fire Services. The Director of Corporate Services confirmed that no Fire and Rescue Service had been allowed the £5 precept. The Chief Fire Officer advised that the Service, including the Chair of the Authority, had lobbied significantly for the £5 precept, and had also followed this up with a letter of disappointment. It was hoped that this would be acknowledged by the government when setting council tax referendum limits in future.

County Councillor Morris asked if the larger increases in pension costs was directly linked to the significant changes to retirement profiles, as listed in the MTFs Risks and Scenarios. The Director of Corporate Services explained that the risks listed were based on assumptions in relation to recruitment, retention, and retirement levels within the Service. The Director of People and Development added that the increases in pension costs were due to the McCloud remedy, specifically changes to the pension scheme which would increase the pension entitlement upon retirement. Some staff had delayed retirement while awaiting the remedy which, therefore, could lead to more people retiring in the upcoming year.

In response to a question from County Councillor Singleton, the Chief Fire Officer informed that TOR stood for Training and Operational Review which effectively, was the Training Centre.

The proposals were **MOVED** by County Councillor D O'Toole and **SECONDED** by County Councillor Hennessy. The Authority voted unanimously in favour of the recommendations by a named vote.

The motion was therefore **CARRIED** and it was:

**Resolved:** - That the Authority: -

- Agreed the 2024/25 budget which included the Net Budget Requirement of £75.2m (as set out in Table 2 paragraph 13 on page 48 of the agenda pack), which took account of adjustments set out and detailed in Appendix A.
- Agreed the proposed Council Tax increase of £2.99% and the setting of a Band D Council tax precept of £84.73 for 2024/25.
- Agreed the levels of Council Tax precept set out in Table 3, paragraph 16 on page 49 of the agenda pack.
- Approved the capital programme and associated funding for 2024/25 set out in table 5, paragraph 21 on page 51 of the agenda pack;
- Approved the Medium Term Financial Strategy set out in Appendix A;
- Approved the Capital Strategy set out in Appendix B;
- Approved the Reserves Strategy set out in Appendix C;
- Approved the Treasury Management Strategy in Appendix D which included

	<p>the Prudential Indicators and Minimum Revenue Provision as set out in the Appendix; and</p> <ul style="list-style-type: none"> <li>• Noted the Statement of Robustness of Estimates set out in paragraph 34 on page 54 of the agenda pack.</li> </ul>
66/23	<p><b>Member Champion Activity Report</b></p>
	<p>The concept of Member Champions was introduced in December 2007. A review of the areas of focus for Member Champions was considered at the Authority meeting held in June 2017 where new areas of responsibility were agreed. The current Member Champions and their areas of responsibility were:</p> <ul style="list-style-type: none"> <li>• Community Safety – Councillor Jean Rigby;</li> <li>• Equality, Diversity and Inclusion – Councillor Zamir Khan;</li> <li>• Health and Wellbeing – County Councillor John Singleton;</li> <li>• Road Safety – County Councillor Ron Woollam.</li> </ul> <p>Reports relating to the activity of the Member Champions were provided on a regular basis to the Authority. This report related to activity for the period up to February 2024. During this period all had undertaken their respective role in accordance with the defined terms of reference.</p> <p>County Councillor Singleton commented that volunteers were sought for the second workshop of 'Climate Fresh' to be held on 22 March 2024. A quiz would be held over Easter in SHQ canteen which he encouraged everyone to attend.</p> <p>Councillors thanked staff within the Service for their work to help them within their respective roles.</p> <p><b>Resolved:</b> - That the Authority noted the report and acknowledged the work of the respective Champions.</p>
67/23	<p><b>Fire Protection Reports</b></p>
	<p>The report summarised Lancashire Fire and Rescue Service (LFRS) prosecutions pertaining to fire safety offences under the Regulatory Reform (Fire Safety Order) 2005. There were currently four cases in the judicial system for offences with one set for trial in July 2024, one due for sentencing in January 2024, however, it had been adjourned awaiting a new date, and two were set for plea hearings in February 2024.</p> <p>Protection teams continued to investigate and build files in relation to further cases where offences were believed to have been committed, which involved a number of types of premises as outlined in the report. It was highlighted that LFRS Protection Department was also supporting a joint enforcement case with a local authority, Health &amp; Safety Executive and Lancashire Constabulary regarding a complex converted mill.</p> <p>Given the rapidly evolving regulatory change in building fire safety, an update on Fire Protection and Business Support was also provided, detailing how the Service</p>

was adapting delivery whilst developing its workforce, to ensure that it kept pace with the changes and improved public and firefighter safety within the built environment.

Members noted during the 23/24 performance year to end December 2023, there had been 2,517 business fire safety checks delivered. Around 349 had led to unsatisfactory outcomes and were triaged by Fire Protection teams during the period with both informal and formal enforcement taken.

LFRS continued to embed legislative changes which came into force from 1 October 2023 amendments of the Regulatory Reform (Fire Safety) Order 2005, which had been introduced under Section 156 of the Building Safety Act 2022. These amendments required that all responsible persons must record the fire risk assessment in full (including the findings) along with the fire safety arrangements for premises in all circumstances.

In October 2023, the new Building Safety Regulator (BSR), a new regulatory body within the Health and Safety Executive, came into effect. The focus of the regulator was high-risk residential buildings, which were:

- at least 7 floors or at least 18 metres in height.
- at least 2 residential units.
- care homes and hospitals during their design and construction phase.

As a statutory partner of the new BSR, LFRS had appointed a dedicated BSR Fire Safety Officer who would work as part of a north-west regional BSR team, comprising a Regional BSR Manager, 2 Fire Safety Engineers and 7 Fire Safety Inspecting Officers.

Members also noted arson risk reduction included one case with one defendant, who was also the occupier, following a guilty plea to 'arson with reckless' was sentenced to 32 months imprisonment.

**Resolved** - that the Authority noted the report.

68/23

**Operational Incidents of Interest**

The Authority received a report that provided information relating to operational incidents of note since the last meeting. As the operational period had been very busy, the report detailed only the larger deployments or more complex incidents. As a result, some incidents that Members had been made aware of locally, may not have formed part of the report. Full details of the following incidents were provided in the report:

- Waste fire within former power station in Lancaster.
- Fatal road traffic collision in Down Holland.
- Person rescued from Blackpool building fire.
- Explosion involving domestic properties in Blackburn.
- Road traffic collision with car on fire in Lytham.
- Male trapped under wagon in Altham.
- Firefighters rescue casualties from Blackpool domestic building fire.



	<p>County Councillor Pattison thanked the staff within the Service for their work dealing with the incident at the Supaskips site in Lancaster.</p> <p>County Councillor Singleton thanked the staff for their attendance at the incident in St Annes involving a McClaren supercar that had crashed into two houses.</p> <p>Councillor Hugo expressed appreciation for the Services work in dealing with the incident in Blackpool which could have been significantly worse.</p> <p><b>Resolved:</b> that the Authority noted the report.</p>
69/23	<b>Member Complaints</b>
	<p>The Monitoring Officer confirmed that there had been no complaints since the last meeting.</p> <p><b>Resolved:</b> - That the current position be noted.</p>
70/23	<b>Date of Next Meeting</b>
	<p>The next meeting of the Authority would be held on Monday 22 April 2024 at 10:30am at the Training Centre, Euxton.</p>

**M Nolan**  
**Clerk to CFA**

**LFRS HQ**  
**Fulwood**