

Lancashire Combined Fire Authority Resources Committee

Wednesday, 27 March 2024, at 10.00 am in the Main Conference Room,
Service Headquarters, Fulwood.

Minutes

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

Officers
S Brown, Director of Corporate Services (LFRS) J Charters, Assistant Chief Fire Officer (LFRS) B Warren, Director of People and Development (LFRS) E Sandiford, Head of Human Resources (LFRS) M Nolan, Clerk and Monitoring Officer to the Authority L Barr, Member Services Officer (LFRS)

In attendance
K Wilkie, Fire Brigades Union

34/23	Apologies for Absence
	Apologies were received from County Councillors Lorraine Beavers, Peter Britcliffe, and Sean Serridge.
35/23	Disclosure of Pecuniary and Non-Pecuniary Interests
	None received.
36/23	Minutes of the Previous Meeting
	Resolved: - That the Minutes of the last meeting held on 29 November 2023 be confirmed as a correct record and signed by the Chair.

Procurement Strategy

The Director of Corporate Services (DoCS) presented the report. The new three-year Procurement Strategy had been updated to set out the Service's approach to procurement which built on the success of the previous strategy and supported the vision within the Community Risk Management Plan (CRMP) 2022-2027. The future and shape of procurement would change significantly as a result of the Government's paper 'Transforming Public Procurement', which aimed to speed up and simplify the procurement process, place value for money at the heart of procurement, and unleash opportunities for small businesses, charities, and social enterprises to innovate in public service delivery.

Effective contract and procurement management would be essential in order to become best in class in a process that involved all aspects of business operation and support. It would have a significant impact on the delivery of value for money and efficient use of resources; therefore, it was vital that all procurement activities that were managed effectively, and procurement personnel were well trained and highly professional.

The delivery of the three-year Procurement Strategy had built on the success of the previous strategy and had provided a firm platform with robust processes and procedures to support the vision within the Community Risk Management Plan (CRMP), supported communities, and ensured the cost-effective use of resources with efficient and effective procurement. The Service was already building on that platform by creating a positive procurement culture founded on sound business ethics. As a key enabler to business success, the Service looked to advance and build upon its procurement activities through the new Procurement Strategy.

The Strategy reflected national and local policies and included the Service's approach to collaboration and partnerships, suppliers' fair working practices and ethically, sustainability, climate change, corporate social responsibility, and the development of Small and Medium-sized Enterprises (SME) and third sector organisations.

The DoCS elaborated on the report by adding that with the envisaged legislation, of which the Service was already mindful, not only would there be a greater focus on contract management in the near future, but that it would be from a risk based perspective. The DoCS added that there would also be opportunities for local businesses to engage in the procurement process, the Service would be able to ensure compliance with the Equality Act 2010 and it would also focus on publicising the chain of progress with project work.

CC O'Toole commented that it was important to get a number of quotations and that it had come to his attention recently that some major suppliers were declining to engage in procurement because the plans stretched so far into the future.

The Chair commented that it would be encouraging to see the procurement of local talent.

CC Mein asked for clarification as to whether this would place any uncertainty on progress or whether this would shorten the terms of procurement, to which the

DoCS confirmed there had been a lot of transparency and communication with suppliers.

Resolved: - that Members endorsed the Procurement Strategy 2024 - 2027.

38/23

Local Pension Board Annual Report

The Director of People and Development (DoPD) presented the report which provided an update on the Lancashire Fire Local Pension Board for the period 1 April 2023 – 31 March 2024.

Members noted that the Public Service Pensions Act (PSPA) 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 its functions which covered all aspects of governance and administration of the Firefighters' Pension Scheme (FPS). The Combined Fire Authority had delegated its functions to the Director of People and Development. The Board's Terms of Reference required that it met approximately twice a year and that 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

One new employee representative was appointed to the Board during the year 2023-24. This appointment was carried out in accordance with the Board's Terms of Reference.

Work Programme during 2023/24

During the period 2023/24, 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 major projects: i) the Sargeant/McCloud judgement relating to age discrimination; and ii) Matthews' judgement affecting on-call members commonly referred to as the 'Second Options Exercise'.

Significant work had been undertaken during the year to provide legacy and reformed scheme pensionable pay for the seven years of remedy for almost 1,000 members affected by the Sargeant/McCloud age discrimination legislation. Work had started to compile tax and contribution data for the remedy period from which, the data would enable the Local Pensions Partnership Administration (LPPA), the Service's pension administrators, to roll back member records. During 2024-25 immediate choice members and deferred choice members would receive information to remedy their situation. During the year, the Board had received and considered update reports at key project milestones.

In terms of the Matthews Second Options Exercise, the Service had identified over 600 individuals who were eligible to express an interest in the exercise.

Calculations for exercise were complicated and, in a small number of cases, required data going back as far as the 1960s and 1970s. The Service had made efforts to contact all individuals, but for some, address data was not available or out of date, nonetheless, the Service would make all reasonable endeavours to contact members. The challenge of implementing two significant, complex pieces of pension legislation, which affected large numbers of individuals concurrently, was not to be underestimated.

In order to retain knowledge and capacity sufficient for the implementation of the two projects, the Temporary Pensions Advisor, initially appointed in March 2022, was made permanent in September 2023. The role of Temporary Pensions Coordinator was vacant, and the Service was seeking to fill this role in the near future. The postholder would work to support the pensions workload, predominantly on the Matthews Second Modified Pension Scheme exercise until its completion date on 31 March 2025. It was anticipated that almost 700 calculations could be required for the project. An area of concern was that no mechanism had been finalized to deal with aggregation (RDS employee subsequently achieving a wholetime role).

In 2020/21, the Service implemented the pensionable allowances project which retrospectively applied backdated pensionable allowances for six years. As a result, the Service had received a number of Internal Dispute Resolution Procedures (Appeals) from employees and former employees. All applications were from Members who were dissatisfied that they were not included in the pensionable allowances exercise either relating to the type, temporary nature of the allowance or that their service fell outside of the backdating period. The Board had also been informed about a number of complex cases that had been dealt with at Stage 1 and Stage 2 over this period, including through the Internal Dispute Resolution Procedure (Appeals). The individuals had a right to appeal to the Pensions Ombudsman, whilst it was believed a number had taken that option, the Service had only been notified of two applications.

In March 2023, the government announced that the Pensions Dashboard Programme would require additional time to deliver the connection of pension providers and schemes in accordance with the connection deadlines set out in the Pensions Dashboard Regulations 2022. The new Dashboard Programme was due to be announced in spring 2024 and it was anticipated that the fire scheme date would be summer 2025.

The Board continued to focus on key areas identified by the Pensions Regulator and maintained an oversight of the key risks to the fund. The Risk Register had continued to be reviewed at Board meetings. The Board had also received a report on how the designated Pension Scheme Manager managed the LPPA Pensions Administration contract.

Training

To support their work on the Fire Local Pension Board, members continued to maintain and develop their knowledge and skills. External training opportunities continued to be available, members of the Board had access to the regular LGA monthly bulletins and website, and had utilized the Pension Regulators Public

Service toolkit to develop their knowledge. It was anticipated that the Local Government Association would provide remote training to Board members nationally over the next year.

Looking forward to 2025/25

The Work Plan of the Board would focus on the principal activities of the Scheme as currently anticipated, which included: i) Implementing the requirements of the Sargeant/McCloud age discrimination legislation; ii) Implementing the requirements of the Matthews' Second Options exercise; iii) 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; iv) Assessing the impact of and responding to consultations that would have an impact on the Lancashire Firefighters Pension Schemes; v) Appraising the impact of the implementation of the Pensions Dashboard; and vi) Enhancing Board knowledge and skills.

The Plan would be reviewed and amended where appropriate to ensure it addressed any relevant issues which arose.

The DoPD elaborated on his report by stating that the application of complex pensions regulations as well as the retrospective application of the binding case law decisions made in the senior courts in the cases of Matthews and McCloud, including those firefighters who had left since 2000 had resulted in considerable activity for those in the Service and at the LPPA trying to resolve the situation. 600 individuals were affected, and progress had been slow but was now improving. Significant issues included aggregation and taxation of these amounts.

The DoPD also summarized the position with regard to the Pensions Regulator and the LPPA as well as the response to Consultation on the Government Pensions Dashboard.

In response to a query from CC Pattison as to whether the pensions dashboard was catching up the DoPD confirmed this was the case but that the Service could only process those outstanding matters in relation to those individuals who currently worked for the Service.

In response to a query from CC Mein as to who had responsibility for providing the information and whether it was the current employer, the DoPD confirmed that it was the responsibility of every pensions provider, given that every employee must now be offered a form of pension, even in the commercial sector.

The DoPD added that the Service was also tackling issues with the administration of pensions for Green Book staff but that he was aware that the administration of these pensions was taking too long.

CC Mein asked how the new employee member of the Local Pensions Board had been selected and the DoPD confirmed that a Fire Brigades Union member had been selected.

CC O'Toole commented that firefighters gave loyal service and they had paid into

their pensions throughout their career and therefore it was not difficult to understand why firefighters got confused as to their entitlement and why there was such delay in processing the calculations and all those affected should be kept up to date with progress.

The Chair echoed CC O'Toole's comment and added that he hoped the retirement workshops would be of some assistance in providing information.

The DoPD explained that because these decisions had been challenged through the courts some firefighters believed they were not being treated fairly and it had created some scepticism. In addition, with regard to giving advice, the DoPD clarified the Service could not give independent advice.

The target date for resolution of the outstanding pensions issues was October 2025.

Resolved: - that the report be noted.

39/23

Financial Monitoring

The Director of Corporate Services (DoCS) presented the report which set out the current budget position in respect of the 2023/24 revenue and capital budgets.

Lancashire Fire and Rescue Service's (LFRS) 2023/24 revenue budget had been set at £68.493m. The forecast outturn position was £68.878m, an overspend of £0.385m that was made up of an overspend of £0.488m on non-pay activities and an underspend of (£0.103m) on pay.

The forecast positions within all department budgets were set out in the report with major forecast variances of note shown separately in the table below: -

Area	Forecast Overspend/ (Under spend)	Reason
Pay	(0.104)	<p>The overall forecast was broadly in line with budget:</p> <ul style="list-style-type: none"> • There was a forecast pressure of £0.200m as a result of the Service meeting its legal responsibilities in relation to the Bear Fulton legal case regarding holiday pay; • Whilst the Emergency Cover Review (ECR) remained on target, there had been some initial timing delays compared to the budget that had resulted in an in-year pressure that was being partially offset through

		<p>improvement in the management of overtime arrangements; and</p> <ul style="list-style-type: none"> Other savings included some vacancies particularly at the training centre of (£0.169m).
Fleet and technical Services - Non-Pay	0.182	The forecast overspend was mainly due to inflationary pressures on the supply of parts and increase in repairs, however, savings had been achieved in quarter 3. It was hoped that this pressure would reduce in future years as inflation fell and the older fleet stock was replaced.
Apprenticeship Levy Funding – Non-Pay	0.300	As previously reported, the Apprenticeship Levy income for the year was forecast to be lower than budgeted which resulted in an annual pressure of approximately £0.300m; this was due to a reduction in the number of recruits meeting the eligibility criteria for funding. On call fire fighters and recruits with significant prior learning did not attract levy funding. This pressure has been provided for in the 2024/25 budget agreed by the CFA in February 2024.
Training Centre Courses – Non-Pay	0.163	As previously reported, due to vacancies in the Training Centre, the department had to appoint more associate trainers than budgeted to meet the training needs of the service; this included driver training and specialist training such as swift water rescue as a result of the ECR. This pressure was offset by vacancies. Note the service was putting in place arrangements to try to increase the number of internal trainers.
Service Delivery / Heads of Service Delivery – Non-Pay	0.108	As previously reported, there was a forecast overspend of £0.108m on protective equipment, due to the roll out of wildfire kit, Urban Search And Rescue (USAR) kit and kit for the new recruits.
Non – DFM –	(0.302)	There was a forecast saving on interest

Bank Interest		earned on cash balances invested.
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Capital Budget

The revised Capital Programme for 2023/24 was £7.6m as approved by the CFA in February 2024. Spend to date was £5.083m, which was predominantly on pumping appliances as set out in the report, and £7.6m was forecast.

Details of capital projects were outlined in the table below:

Area	Budgeted Items
Operational Vehicles Budget £4.001m Forecast £4.001m	The budget allowed for the remaining stage payments for 10 pumping appliances purchased in previous financial years. In addition, the budget allowed for the first stage payments of the 3 pumping appliances for the 2023/24 programme. It also included two climate change vehicles and three command units. In addition to the previously reported slippage of climate change vehicle (£0.15m), 2 water towers (£1.027m), 2 prime movers (£0.260m), the ALP chassis (0.251m) had also slipped to quarter 1 of 24/25.
Other vehicles Budget £0.925m Forecast £0.925m	This budget allowed for the replacement of various operational support vehicles. The supply of 3 rescue team vans had been delayed to 2024/25.
Operational Equipment Budget £1.308m Forecast £1.308m	As reported in November, this budget allowed for equipment purchases including thermal imaging cameras and cutting and extrication equipment 2023/24. Approved slippage on Ballistic Vest and Helmet PPE would enable exploration and pilot of equipment.
Building Modifications Budget £0.352 Forecast £0.352m	This budget included the continuation of Drill Tower replacements and an upgrade to the Wylfa prop facility. Completion of works had now slipped into early 2024/25 as follows: <ul style="list-style-type: none"> • Wylfa Prop (£0.125m) tender process was expected to complete in quarter 4, and work to commence in 2024/25. • W30 Blackpool Dormitory (£0.472m) design work was complete, and work would commence in 2024/25. • Drill tower replacement (£0.555m) had

	<p>slipped as procurement were now seeking a new framework with experienced drill tower contractors.</p> <ul style="list-style-type: none"> Minor improvements (£0.099) to the estate had slipped to 2024/25.
<p>IT systems Budget £0.728m Forecast £0.728m</p>	<p>This budget included for the upgrade Firewalls and digitisation of fire appliances. Note:</p> <ul style="list-style-type: none"> The national Emergency Services Mobile Communication Programme (ESMCP) had paused to 2025 (£0.1m); WIFI (£0.135m) would be completed after the Firewall scheduled in quarter 4 of 2023/24; Incident ground radios (£0.23m) had slipped in line with helmet communications and the breathing apparatus replacement program; and RDS Alerters (£0.065m) had slipped due to a period of soft market research.

Reserves

Reserves were held for three main purposes:

- To cover unforeseen risks and expenditure that could be incurred outside of planned budgets – known as a general reserve.
- To set-aside funds for specific purposes, known or predicted pressures, or future liabilities – known as earmarked reserves.
- To hold capital receipts from the sale of assets, the use of which was restricted under legislation to the purchase of new assets, or the repayment of debt.

The forecast level at the end of the year, taking into account the forecast revenue position, capital outturn and agreed reserves is set out below:

	Forecast t £'m
General Reserve - min level £3.75m	4.8
Earmarked Reserves	25.4
Total	30.2

Resolved: - that the Committee:

- noted and endorsed the revenue budget forecast outturn; and
- noted the Capital Budget forecast outturn.

40/23

Date and Time of Next Meeting

The next meeting of the Committee would be held on **Wednesday, 03 July 2024** at

	<p>10:00 hours in the Main Conference Room at Lancashire Fire and Rescue Service Headquarters, Fulwood.</p> <p>Further meeting dates were noted for 25 September 2024 and agreed for 27 November 2024.</p>
41/23	<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>
42/23	<p>IDRP - Stage 2</p>
	<p>(Paragraphs 1, 4 and 5)</p> <p>Members considered a report regarding three IDRP Stage 2 applications under the Internal Disputes Resolution Procedure. The report outlined the facts of the cases.</p> <p>Resolved: - that the Committee declined the applications presented based on its lawful application of the relevant Pensions Regulations.</p>
43/23	<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 £175,000 and high value procurement projects in excess of £175,000 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>
44/23	<p>Exec Board Succession Arrangements</p>
	<p>(Paragraph 1)</p> <p>The Director of People and Development recused himself, as a potentially interested party, and left the Committee meeting.</p> <p>No other interests were declared.</p> <p>Only Members and Officers relevant to decision making on this recruitment were present for this item.</p>

	Resolved: - that the Committee approved the recommendation outlined in the report.
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M Nolan
Clerk to CFA

LFRS HQ
Fulwood