

Lancashire Combined Fire Authority Resources Committee

**Wednesday, 26 March 2025, at 10.00 am in the Main Conference Room,
Service Headquarters, Fulwood.**

Minutes

Present:	
Councillors	
G Baker	
F De Molfetta	
Z Khan MBE	
D O'Toole	
M Pattison (Vice-Chair)	
S Serridge (Chair)	
D Smith	
R Woollam	
B Yates	

Officers
S Brown, Director of Corporate Services (LFRS) E Sandiford, Director of People and Development (LFRS) B Warren, Director of People and Development (LFRS) J Meadows, Head of Finance (LFRS)

38/24	Apologies for Absence
	Apologies were received from County Councillor T Hurn. Vice-Chair County Councillor M Pattison chaired the meeting as the Chair had been delayed.
39/24	Disclosure of Pecuniary and Non-Pecuniary Interests
	None received.
40/24	Minutes of the Previous Meeting
	Councillor G Baker asked if the Revenue Budget section within the Financial Monitoring report could include an action column to summarise the actions taken. The Director of Corporate Services (DoCS) confirmed that this could be implemented for some points within the report and would be reviewed for future reports.

	<p>Councillor G Baker asked about the accuracy of the forecast for interest rates from Arlingclose. The DoCS confirmed that Arlingclose were professional advisors used by a number of organisations and their forecasts were generally reliable, although a number of factors could impact forecasts such as election results.</p> <p>Resolved: That the Minutes of the last meeting held on 27 November 2024 be confirmed as a correct record and signed by the Chair.</p>																				
41/24	<p>Financial Monitoring</p>																				
	<p>The Director of Corporate Services (DoCS) advised that this report set out the current budget position in respect of the 2024/25 revenue and capital budgets.</p> <p>Revenue Budget</p> <p>In February 2024 the Combined Fire Authority (CFA) agreed the Service’s 2024/25 revenue budget at £75.155m. This Financial Monitoring report was for the ten-month period to the end of January 2025. The forecast outturn was £74.066m, which was an underspend of (£1.089m). Of the forecast underspend, (£0.962m) related to non-pay costs, and (£0.127m) to pay costs.</p> <p>The year-to-date and forecast positions within all departmental budgets were set out in Appendix 1 of the report, with the major variances of note shown separately in the table below.</p> <table><tr><th>Area</th><th>Year to Date Variance £m</th><th>Reason</th><th>Forecast Outturn Variance £m</th><th>Reason</th></tr><tr><td>Service Delivery - Pay</td><td>0.509</td><td>As previously reported the grey book pay award of 4% for 2025/26 was effective from July 2024 and was 1% higher than the services budgeted assumptions, this accounted for the majority of the overspend.</td><td>0.516</td><td>The variance was largely due to higher than budgeted pay assumptions. On call and support staff budgets were mainly within allocated budgets. The forecast had reduced by c£0.150m since the November report due to a reduction in overtime costs.</td></tr><tr><td>Prevention and Protection - Pay</td><td>(0.418)</td><td>The year-to-date underspend was due to vacancies within the department.</td><td>(0.550)</td><td>The variance was due to vacancies, this saving had increased by (c£0.100m) as staffing levels were anticipated to increase.</td></tr><tr><td>Bank Interest</td><td>(0.385)</td><td>More interest had been earned</td><td>(0.552)</td><td>The forecast reflected the full year effect of</td></tr></table>	Area	Year to Date Variance £m	Reason	Forecast Outturn Variance £m	Reason	Service Delivery - Pay	0.509	As previously reported the grey book pay award of 4% for 2025/26 was effective from July 2024 and was 1% higher than the services budgeted assumptions, this accounted for the majority of the overspend.	0.516	The variance was largely due to higher than budgeted pay assumptions. On call and support staff budgets were mainly within allocated budgets. The forecast had reduced by c£0.150m since the November report due to a reduction in overtime costs.	Prevention and Protection - Pay	(0.418)	The year-to-date underspend was due to vacancies within the department.	(0.550)	The variance was due to vacancies, this saving had increased by (c£0.100m) as staffing levels were anticipated to increase.	Bank Interest	(0.385)	More interest had been earned	(0.552)	The forecast reflected the full year effect of
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		because of higher cash balances invested, due to slippage on the capital programme, and higher than budgeted interest rates. Interest earned on the Home Office pension grant received ahead of Matthews two and the McCloud remedy had been assumed to be transferred to an earmarked reserve.		slippage on the capital programme and higher than budgeted interest rates. The forecast had increased by c£0.350m due to updated cash balance and interest rate assumptions.
Property – non pay	(0.394)	Utility rates had been lower than budgeted resulting in the underspend.	(0.393)	The forecast underspend largely related to lower than budgeted utility costs. The forecast also assumed any committed property work slippage would be approved to carry forward which was forecast at £0.400m.

Future Pressures

Emerging pressures to report to the Resources Committee included inflation forecasts. As reported to the CFA in February, government grants were increased by the September rate of inflation (1.7%). The latest rate of inflation was now 3% which was likely to put pressure on budgets in 2025/26.

There were no further new pressures to report since the last meeting, the green book pay award and firefighter employer pension contributions had been included in the 2025/26 budget approved by the CFA in February.

Savings Targets

A reduction in the contribution to Capital of £1.5m was agreed in the medium-term Financial Strategy resulting in a revenue contribution in 2024/25 of £2.5m. The budget had been reduced to this effect.

General Fund

The year end forecasted general fund position is summarised below:

	£'m
Opening balance of LFRS general fund	(4.987)
Forecast revenue underspend	(1.089)

Forecast closing balance of general fund	(6.076)
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Capital Budget

The original Capital Programme for 2024/25 was £12m including slippage from 2023/24, this was revised to £5m by the CFA in February 2025 when they approved the updated capital strategy. To date £2.793m had been spent predominantly on fleet and operational equipment. A summary of the programme is set out in the table below and in more detail in Appendix 2 of the report.

Area	Budgeted Items	Budget (£m)	Year to Date (£m)	Slippage 2025/26 (£m)
Operational Vehicles	<p>The budget included costs of two water towers, and a prime mover. All vehicles were on target to be delivered in 2024/25. An update on items in the original budget is below:</p> <ul style="list-style-type: none"> • Pumping appliances were in the procurement process. • Aerial ladder appliance was due for delivery in early April 2025. • Large climate change vehicle was in the procurement process and the small one was at specification stage. 	1.409	0.924	(0.002)
Other vehicles	<p>This budget allowed for the replacement of various operational support vehicles including several cars, vans, and a beavertail lorry. A few vehicles had been delivered which was originally expected to be delayed to 2025/26, an update against the original budget is provided below:</p> <ul style="list-style-type: none"> • Four Toyota Rav4 were now delivered, and two small vans were due for delivery April 2026. • Two double cab vans were in the procurement process and delivery was expected in May 2025. • Two rescue team vans had slipped due to delivery and conversion lead times, expected May 2025. 	0.529	0.710	(0.181)

	Operational Equipment	<p>This budget allowed for operational equipment purchases including CCTV cameras for appliances, body armour, and road traffic collision equipment. Slippage against the original capital programme is set out below:</p> <ul style="list-style-type: none"> • Body Armour – the trial period had been completed and the procurement process was underway. • Flow meters and hose reel were on trial in Blackpool. It was anticipated there would be an additional budget requirement. • Breathing apparatus compressor was on order with an early 2025/26 lead time. • CCTV on appliances was put on hold in December pending specification requirements. • Road Traffic Collision (RTC) phase 4 was due for completion in June 2025. 	1.359	0.959	0.361
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	Building Modifications	<p>This budget included the continued programme of Drill Tower Replacements, Blackpool facilities upgrade and budget for the initial works to support the upgrade to Preston station. Slippage to date against the original capital programme had been identified as follows:</p> <ul style="list-style-type: none"> • The enhancement of facilities at Blackpool (W30) had incurred some initial costs however would see final completion in 2025/26. • Most Drill Tower replacement works had slipped due to unsuccessful initial award of the contract. • Wylfa training props programme was due to start on site April 2025. • Options appraisal was underway for suitable land acquisition. • Estates improvements would continue into 2025/26. • Elements of the Preston upgrade had been delayed to early 2025/26. 	1.066	0.153	0.266
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IT systems	<p>This budget included various projects including upgraded Firewalls, network upgrades and replacement of pooled PPE and stock management systems. Slippage to date against the original capital programme had been identified as follows:</p> <ul style="list-style-type: none"> • The replacement systems for the management of stock, assets and pooled PPE, public switched telephone network. Existing contracts had been extended. • The incident ground radios project had also slipped to next year due to other interdependencies with the breathing apparatus project. • Firewall project was complete however delivery would slip to 2025/26. • North West Fire Control (NWFC) Computer Aided Dispatch had been extended until spring 2026. • Community Fire Risk Management System (CFRMIS) replacement was undergoing the procurement process into 2025/26. • Retained Duty System (RDS) Alerters and Officer Pagers scoping had changed and would slip to 2025/26. 	0.850	0.197	0.448
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Potential Financial Risks

There were several potential scenarios that had not been reflected in this monitoring report that, if they materialised, may give rise to an increase in revenue and capital expenditure. To provide some information about potential significant financial risks these had been quantified to provide an estimated worst-case scenario, these were set out in Appendix 3 of the report. Taking all these risks overall and adjusted for the remainder of the year, a potential worst-case scenario would impact the Revenue Budget and Capital Budget accordingly:

£m	Worst Case
Revenue Budget - unbudgeted costs	1.08

	<table border="1"> <tr> <td>Capital Budget – Additional Expenditure</td><td>0.22</td></tr> </table> <p>The potential worst-case scenario could be funded from available budgets but would reduce the general fund balance to below the minimum acceptable level agreed by the CFA.</p> <p>County Councillor D O'Toole and Councillor D Smith remarked that it was very difficult to forecast the budget due to a number of changing factors including central governments imminent budget announcement.</p> <p>Resolved: That the Committee;</p> <ol style="list-style-type: none"> 1. Noted and endorsed the financial position; and 2. Approved additional slippage in the capital programme of £0.892m to 2025/26. 	Capital Budget – Additional Expenditure	0.22
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42/24	Date and Time of Next Meeting		
	<p>The next meeting of the Committee would be held on Tuesday 1 July 2025 at 1000 hours in the Main Conference Room at Lancashire Fire and Rescue Service Headquarters, Fulwood.</p> <p>Further meeting dates were noted for 24 September 2025 and 26 November 2025.</p> <p>County Councillor S Serridge joined the meeting at 10:12.</p>		
43/24	Exclusion of Press and Public		
	<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>		
44/24	Update from Capital Projects Working Group		
	<p>(Paragraph 3)</p> <p>The DoCS presented the proceedings of the Capital Projects Working Group held on 18 November 2024 and 3 February 2025.</p> <p>Resolved: That the proceedings of the Capital Projects Working Group be noted.</p>		
45/24	High Value Procurement Projects		
	<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>		

	Resolved: That the Committee noted and endorsed the report.
46/24	Pensions Update (Standing Item)
	<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 committee noted the current situation.</p>

M Nolan
Clerk to CFA

LFRS HQ
Fulwood