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To: All Members of the Authority



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J. Henshaw
LLB (Hons)
Clerk to the Authority

Tel: 0151 296 4000
Extn: 4113 Kelly Kellaway

Your ref:

Our ref HP/DM

Date: 19 February 2020

Dear Sir/Madam,

You are invited to attend the **MERSEYSIDE FIRE AND RESCUE AUTHORITY BUDGET MEETING** to be held at **1.00 pm** on **THURSDAY, 27TH FEBRUARY, 2020** in the Liverpool Suite - Fire Service Headquarters at Service Headquarters, Bridle Road, Bootle, L30 4YD.

Yours faithfully,

A handwritten signature in cursive script that reads 'K. Kellaway PP.'.

Clerk to the Authority

Encl.

MERSEYSIDE FIRE AND RESCUE AUTHORITY

AUTHORITY BUDGET MEETING

27 FEBRUARY 2020

AGENDA

Members

Lynne Thompson
Janet Grace, Sefton
Brian Kenny, Wirral
Les Byrom (Chair)
Lesley Rennie
James Roberts
Jean Stapleton
Paul Tweed
Andrew Makinson
Steff O'Keeffe
Lisa Preston
Del Arnall
Barrington
Bruce Berry
Angela Coleman
Doreen Knight
Linda Maloney
Emily Spurrell

1. Preliminary Matters

Members are requested to consider the identification of:

- a) Declarations of interest by individual Members in relation to any item of business on the Agenda
- b) Any additional items of business which the Chair has determined should be considered as matters of urgency; and
- c) Items of business which may require the exclusion of the press and public during consideration thereof because of the possibility of the disclosure of exempt information.

2. Minutes of the Previous Meeting (Pages 5 - 14)

The minutes of the previous meeting held on 17th October 2019 are submitted as a correct record and for signature by the Chair.

3. **Part 2 EXEMPT Minutes of the Previous Meeting** (Pages 15 - 18)

The Part 2 EXEMPT Minutes of the Previous Meeting, held on 17th October 2019, are submitted for approval as a correct record; and for signature by the Chair.

4. **Minutes of Urgency Committee** (Pages 19 - 22)

The minutes of the Urgency Committee held on 26th September 2019 are submitted as a correct record and for signature by the Chair.

5. **Minutes of the previous Urgency Committee** (Pages 23 - 26)

The minutes of the previous meeting held on 4th February 2020 are submitted as a correct record and for signature by the Chair.

6. **Asset Management Plans 2020/2025** (Pages 27 - 114)

To consider Report CFO/002/20 of the Chief Fire Officer, concerning how the Authority, plans to align its physical assets with its corporate plan and strategic objectives over the next 5 years (2020/21 – 2024/25).

The Asset Management Plans take account of the financial challenge faced by the Authority and consequently the changes that are likely to be required to in order to continue to meet requirements and expectations of both internal and external service users.

7. **MERSEYSIDE FIRE AND RESCUE AUTHORITY BUDGET AND FINANCIAL PLAN 2020/2021 – 2024/2025** (Pages 115 - 190)

To consider report CFO/008/20 of the Director of Finance, concerning information in order to allow Members to set a medium term capital and revenue financial plan that allocates resources in line with the Authority's strategic aims and ensures that the Authority delivers an efficient and effective, value for money service aligned to its budget principles. This will enable the Authority to determine a budget for 2020/2021 whilst setting a precept level which is in line with statutory requirements.

If any Members have queries, comments or require additional information relating to any item on the agenda please contact Committee Services and we will endeavour to provide the information you require for the meeting. Of course this does not affect the right of any Member to raise questions in the meeting itself but it may assist Members in their consideration of an item if additional information is available.

Refreshments

Any Members attending on Authority business straight from work or for long periods of time, and require a sandwich, please contact Democratic Services, prior to your arrival, for arrangements to be made

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MERSEYSIDE FIRE AND RESCUE AUTHORITY

17 OCTOBER 2019

MINUTES

Present: Cllr Leslie T. Byrom CBE (Chair) Councillors
Lynne Thompson, Janet Grace, Brian Kenny, Lesley Rennie,
James Roberts, Jean Stapleton, Paul Tweed,
Andrew Makinson, Steff O'Keeffe, Lisa Preston, Arnall,
Barrington, Berry, Knight and Spurrell

Also Present:

Apologies of absence were received from: Cllr Coleman
and Cllr Linda Maloney

1. Preliminary Matters

The Authority considered the identification of any declarations of interest, matters of urgency or items that would require the exclusion of the press and public due to the disclosure of exempt information.

Members Resolved that:

- a) There were no declarations of interest made by individual Members in relation to any item of business on the Agenda
- b) There were no additional items of business determined by the Chair to be considered as matters of urgency; and
- c) The following item of business required the exclusion of the press and public during consideration thereof because of the possibility of the disclosure of exempt information:

- **Agenda Item 7 – “Disposal of West Kirby”**

This report contains EXEMPT information by virtue of Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

8. Part 2 EXEMPT Minutes of the Previous Meeting

2. Minutes of the Previous Meeting

The Minutes of the previous meeting of the authority, held on 3rd July 2019, were approved as a correct record and signed accordingly by the Chair.

3. Bonfire Strategy 2019

Members considered Report CFO/055/19 of the Chief Fire Officer, concerning the 2019 Bonfire Strategy, aimed to limit the number of deliberate fires and instances of anti-social behaviour across Merseyside.

Members were advised that the planning for the Bonfire Period commenced in June, with regular meetings taking place with partners across all five Districts, along with community engagement.

Members were informed that the presentation being delivered to them today, is the same presentation that has been delivered to key stakeholders.

The presentation provided an overview of performance over last year's Bonfire Period. It was highlighted that 2018 saw a 6.6% reduction in ASB fires; and 51.16 tonnes of bonfire material removed across Merseyside.

Members were advised that during the Bonfire Period last year, 73 target hardening visits were undertaken by the Arson Team, to help protect individuals who had been threatened with arson; there were 7 incidents involving fireworks, which was a reduction on the previous year; and there were 9 violence at work incidents.

The presentation provided a 10 year retrospective view of deliberate secondary fires across Merseyside, during Bonfire periods. It was highlighted to Members that in 2009, MFRA were attending over 750 such incidents over the period; whilst the last 3 years had observed year on year reductions, with the number of deliberate secondary fires during the 2018 Bonfire period, being 366.

Members were informed that following the 2018 Bonfire Period, a de-brief took place, which provided an opportunity for staff to give feedback and suggestions for improvements.

Members were informed that officers listened to staff; and as a result of the feedback received, have implemented several of their suggestions for this year. Suggestions implemented include having a trained Protection Officer on cover on key nights, to assist with any issues encountered; involving members of Princes Trust teams in delivering the Bonfire Strategy as part of their work placements; and running paid for social media campaigns.

Members were informed that other suggestions implemented, include undertaking assessments of bonfires prior to mobilising appliances, following a risk assessment. They were informed that for this year, a tolerant approach will be taken, with officers on the ground attending bonfires to assess the situation, prior to an appliance being mobilised to put out the fire. Where the bonfires are deemed to be safe by the officer attending, they will be allowed to continue burning. This approach will prevent appliances being tied up at secondary fires unnecessarily, meaning that they can remain available to respond to emergencies.

A further suggestion received, was around the Street Intervention Team being deployed to cover other areas. Members were informed that there are now Street Intervention Teams within the Knowsley and Sefton Districts, in addition to the Liverpool team, which will all be deployed over this year's Bonfire Period.

The presentation provided Members with information around Operation Bangor. They were informed that Operation Bangor is led by Merseyside Police, working in conjunction with partners, and is in response to the increase in anti-social behaviour, firework misuse and arson, during the Halloween and Bonfire period, with the 3 key nights being mischief night (30th October), Halloween (31st October) and Bonfire night (5th November).

Members were advised that a Tactical Co-ordinating Group (Silver Command), will be established in the Joint Control Centre on these key nights, which will be staffed by a Group Manager; and will link into the Operational Support Room (OSR). They were advised that the OSR will be active from 30th October, through to 6th November; and it will be utilised to assist Fire Control and maintain contact with non-operational staff on the ground to ensure their safety, as well as to gather intelligence that will be used to inform the deployment of staff and resources on the following day.

Some key events that are taking place over the Bonfire Period were also highlighted to Members, which include football matches, the River of Light Festival and potentially Brexit.

The presentation then provided Members with an overview of the key points for each of the District Plans.

With regards to Sefton, Members were informed that a tipper truck has been provided by Sefton Council, with RSL's providing skips in hotspot areas in the run up to the Bonfire Period, to remove combustibles and prevent fly tipping. They were informed that the RSL's have their own tipper trucks that will be utilised over the period; and Merseyside Police will be providing assistance by delivering a presentation and DVD within local schools. In addition, they were informed of organised bonfires and fireworks displays taking place within Sefton; and youth clubs that will be open on key nights.

Within the Liverpool District, Members were informed that a social media campaign has been paid for by Liverpool City Council. Liverpool City Council have also funded a tipper truck; and have included a recorded message on their phone lines, advising residents to put their wheelie bins away over the Bonfire Period. Members were also informed that in order to assist with the provision of resources over the Bonfire Period, a joint multi-agency funding bid, was submitted to the Liverpool City Safe Board.

In relation to the Wirral District, Members were advised that Council firework displays are now in place, including one within Central Park, which saw an increase in ASB last year. They were advised that Magenta Living have organised a waste station day; and are funding the "StaySafe" bus, which will be staffed by Merseyside Police and Wirral Council officers. Members were also informed that Bonfire Safety Leaflets will be displayed on all Arriva and Stagecoach bus routes across Wirral, which are anticipated to be viewed by over 200,000 people.

Members were advised that within the St. Helens District, there will be a number of diversionary events for young people, over the period, including a cinema

visit. "Sparks in the Park", which is a popular diversionary event, will also be taking place on 5th November. They were also advised that housing providers will be holding skip days, which will be promoted in advance; and that Knowsley Council will be providing a tipper truck, that can be utilised across both Knowsley and St. Helens.

With regards to Knowsley District, Members were informed that Knowsley Council will be providing their tipper trucks for use by MFRA staff, within the Knowsley and St Helens Districts. A joint agency arson campaign will take place in areas that have seen an increase in deliberate secondary fires; and a number of leaflet drops will be completed in areas that have experienced high ASB and previous violence at work incidents.

Members were also informed of the Potential Arson Threat Scheme (PATs), which is a process for the reporting of buildings at risk of arson. Operational crews are being asked to report vulnerable properties, with this information being provided to the Arson Team for intervention.

The presentation then informed Members of the Community Risk Management routes that will be provided to operational crews. Following the attendance at incidents, operational crews will be requested to take particular routes back to their station, to provide a visible presence in areas experiencing high levels of ASB; and to undertake HFSC's.

Members were advised that operational crews will be delivering school presentations (4 per station), as well as supporting diversionary events where requested; and reporting fly tipping. They will also be assisting with the post-bonfire sweep on the morning of the 6th November, to ensure that any bonfires from the previous night are fully extinguished.

Further information was provided to Members around the tolerant approach, which will be adopted between 1st and 6th November, which will allow bonfires to burn where it is deemed safe and appropriate to do so, following a dynamic risk assessment. It is hoped that this approach will reduce the number of violence at work incidents for our staff.

Members were also informed that briefing packs have been created and distributed to operational crews; and the Trojan Fire Appliance will be available for deployment as required over the period. Members were advised that the Trojan Fire Appliance is supported by Merseyside Police; and is staffed by 2 Police Officers, alongside 2 operational staff.

Members were also informed that the Corporate Communications Team have robust plans in place and Members were provided with examples of some of the infographic material produced for distribution and sharing on social media platforms. They were also informed that the Corporate Communications Team have produced radio press releases and created a number of short safety videos.

With regards to the paid for social media campaign, Members were advised that we can ensure that these key safety messages reach everyone who uses a

social media platform; and it is estimated that last year, just under 700,000 people were reached via Facebook.

Members were advised that leaflets containing advice around fireworks, wheelie bins and general fire safety, have been provided to various housing provider contractors for distribution during visits. It is estimated that these will be delivered to over 10,000 premises.

With regards to funding, Members were informed that a successful multi-agency bid was submitted to Liverpool City Safe, with a total of £15,740 secured, of which £3,500 will be provided to MFRA. £450 has been provided by Wirral Council for the hire of a tipper truck, with further tipper trucks being donated by Sefton Council and Knowsley Council.

In relation to Fireworks, Members were advised that they are on sale now, with all traders being required to have a license to store fireworks for sale, which are issued by MFRA. They were informed that inspections are being undertaken by the Fire Protection Teams, who are working alongside Merseyside Police and Trading Standards.

Members were informed that the Arson Teams have been working exceptionally hard to ensure that there are robust arrangements in place with partners. They were also informed that due to the potential increased demand for the Incident Investigation Team (IIT), an extra IIT Officer will be available between 18:00hrs and 00:00hrs on the 7 key dates.

The presentation also highlighted to Members that guidance has been provided to Merseyside Police around MFRA's tolerant approach over the Bonfire period. They were informed that a great deal of calls received by Fire Control are from the Police in relation to Bonfires. Therefore, Corporate Communications have produced guidance for the Police, which provides a list of conditions to consider prior to requesting MFRA attendance at Bonfires, which will hopefully reduce the demand placed on Fire Control.

Questions were raised by Members concerning the reduction in official fireworks displays last year; and whether it had had an impact on the number of incidents. Members were advised that the number of incidents had in fact reduced again last year.

Members made reference to paragraph 3 within the report, where it states that it is recognised that current financial challenges will impact on some of the services our partners have contributed in the past; and expressed concern that this is the case. Members were reassured that we and our partners continue to do fantastic work despite the cuts, however there is no doubt that more could be done if more resources were available.

Further questions were raised by Members in relation to fireworks, specifically around the importation of illegal fireworks; and whether premises that are licensed to sell fireworks, are required to display their license.

Members were informed that should we receive any intelligence around illegal fireworks, we would act alongside partners to intervene. They were advised that they did receive intelligence last year around stolen fireworks, which was acted up on, however no information had been received for this year so far.

With regards to the displaying of licenses, Members were advised that all licensed premises will receive a copy of their license, which they could display should they so wish, but there is no obligation for them to do so. They were advised however, that consideration is being given to the production and publication of a list of licensed premises.

A further question was raised around the Street Intervention Teams and why there is no team within the St. Helens District. Members were informed that as youth engagement is not a statutory duty for FRA's, the provision of such teams is predicated on external funding. Therefore, it is our Community Safety partners that pay for the Street Intervention Teams within those areas.

A question was raised by Members around pop up firework shops; and how these are managed. Members were informed that these are dealt with by the Fire Protection Department. They were advised that most are licensed, but that they will receive a visit from the Protection team to ensure that the fireworks are being stored properly; and again, should any intelligence be received to suggest that they are not licensed, or operating properly, they will be investigated.

Members requested that the infographic information within the report and copies of the slides, be provided to them for dissemination to local authorities and partners.

Members Resolved that:

- a) The content of the presentation, be noted.
- b) The content of the report for the Halloween and Bonfire Period 2019, be noted.

4. Equality, Diversity & Inclusion Annual Report April 2018 - March 2019

Members considered Report CFO/045/19 of the Chief Fire Officer, concerning the draft Equality, Diversity & Inclusion (ED&I) Annual Report, which contains an update on the progress made against the ED&I Action Plan 2017-2020; and our ED&I objectives for 2017-2020.

The Chair of the Authority reminded Members of their personal responsibility to promote ED&I.

It was requested and agreed that this Agenda Item and Agenda Item 5 – *“Equality Analysis of Workforce and Employment Data as at 31st March 2019”*, be considered together.

With regards to this item, Members attention was drawn to paragraph 4 of the report, which outlines the areas under the Equality Act 2010 Public Sector Equality Duty (PSED), that public authorities must have due regard to, which include the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

In relation to Agenda Item 5, Members attention was drawn to paragraph 9 of the report, which details some of the key figures contained within the report.

It was highlighted to Members that the total number of staff employed by MFRA, as at 31st March 2019, had increased to 1000 (total headcount), which was a 1% increase. The percentage of crew managers had increased to 5.5% (total of 55), whilst the percentage of firefighters fell to 39%, which is due in part to the expansion of the crew manager role. Members were informed that the re-introduction of the crew manager role has been of massive benefit to the operational part of the organisation. They were informed that there has been a great deal of interest in the role since it was re-introduced; and that the process is going extremely well.

With regards to Fire Control staff, Members were advised that numbers have remained consistent; and the percentage of support staff has increased from 31.2% (309 staff) during 2016/17, to 35.5% (355 staff) during 2018/19.

Members were informed that the number of staff disclosing their sexual orientation as Lesbian, Gay, Bisexual or Transgender (LGBT) has increased from 15 in 2016/17 to 22. They were also informed that the number of BAME staff has increased by 25%, from 39 in 2017/18 to 49 in 2018/19. It was stated that although this is moving in the right direction, there is still some way to go before MFRA is reflective of the communities it serves.

Members were advised that a number of Staff Networks will be launched in the New Year; and a member of the Senior Leadership Team will be appointed as a senior Sponsor for each of the protected characteristics, to provide support to those Networks.

With regards to female staff, Members were advised that they now make up 26.5% of the total staffing, which has increased from 23.9% over a 3 year period. It was highlighted to Members that this is well ahead of the English Fire & Rescue Service average of 15.9%.

In terms of the operational staff gender split, Members were advised that 91% (556) are males, and 9% (55) are females, which although this still needs to improve, is higher than the English Fire & Rescue Service female whole time firefighter average of 6.1%.

With regards to the gender pay gap, data as at 31st March 2019, shows that across the organisation, the mean gender pay gap is -11.7%, which equates to £1.80 per hour. This shows an improvement on the 2016/17 figure, which was -12.1%. Members were informed that although we are bringing more female operational staff into the organisation, they are coming in at the lower ranks, but hopefully as they start to progress, this figure will improve, albeit this will take time. Members were also advised that officers are currently looking at developing a rapid promotion process, not just for females, but to support all individuals with additional skills.

It was also highlighted to Members that a total of 113 new Members of staff have joined MFRA during 2018/19, 51 operational staff (8 females), 7 Fire Control (6 females) and 55 support staff (23 females). During the same period, there have been 112 individuals leave MFRA, 73 operational staff (3 females), 5 Fire Control staff (all females) and 34 support staff.

Members were also advised that in terms of attendees on Princes Trust Courses run by MFRS, there were 184 during 2018/19, which is an increase on 2017/18, in which there were 116 attendees.

In terms of the value of the Princes Trust course, Members were referred to page 20 of the Equality, Diversity & Inclusion Annual Report April 2018 to March 2019, attached as Appendix A to Agenda Item 4. It was highlighted to Members that of the 184 attendees on the course, 164 completed the course; and of those who completed the course, 106 have continued their development in employment, education or training, which is a positive outcome of 57%. They were also informed that of those attendees, 131 were either homeless, ex-offenders, asylum seekers, in care/ leaving care, or part of a homeless family.

Questions were raised by Members regarding the capture of data around transgender individuals; and the language used within the report (male and female etc...) Members were reassured that there are now dedicated senior officer leads for each of the protected characteristics and those officers are looking at how they can better support individuals and the staff networks. It was also confirmed that consideration would be given to the language used within the report to ensure that it is appropriate.

Discussion took place concerning the work around supporting women who are going through the menopause; and raising awareness of men and younger people to better support colleagues.

The Chair of the Authority advised Members that there is a great deal of work being undertaken by the LGA and NFCC, around ED&I. He commented that this is a top priority for MFRA; and that ED&I issues need to be placed at the forefront of policy making.

Members Resolved that:

The attached Equality, Diversity & Inclusion Annual Report, be approved for publication on the Merseyside Fire & Rescue Service (MFRS) website, in order to demonstrate MFRA's commitment to equality, diversity and inclusion; and in order to meet its Public Sector Equality duties.

5. Equality Analysis of Workforce and Employment Data as at 31st March 2019

Members considered Report CFO/044/19 of the Chief Fire Officer, concerning a breakdown of the Authority's workforce (people) data produced in order to meet the Equality Act 2010, Public Sector Equality Duties; and in order to allow scrutiny of the service in the discharge of said duty.

It was noted that this item had been considered in conjunction with Agenda Item 4 – "*Equality, Diversity & Inclusion Annual Report – April 2018 – March 2019*".

Members Resolved that:

- a) The content of the report, be noted.
- b) The report be approved for publication on the Authority's website, in order to demonstrate its commitment to equality and diversity; and to meet its Public Sector Equality Duties.

6. Water Rescue PPE

Members considered Report CFO/054/19 of the Deputy Chief Fire Officer, concerning the outcome of the tender process for the North West (NW) for Water Rescue Personal Protective Equipment (PPE).

Members were provided with an overview of the report, which highlighted that the previous contract for Water Rescue PPE expired in August 2019. As such, in June 2019, MFRA undertook a further competition process on behalf of the NW FRS's, under a YPO (Yorkshire Purchasing Organisation) Framework.

Members were advised that the specifications for the items, had been updated to reflect the latest standards.

The high level weightings applied for evaluation of the bids, was highlighted to Members, as was the total estimated spend. However, Members were informed that the potential expenditure is subject to change, depending on the actual requirements during the life of the contract.

Members were advised that 3 companies have been successful across the lots, as detailed within the report. They were also advised that if approved, any NW authorities requiring Water Rescue PPE, will call off this contract.

A question was raised around whether other regions would be able to call off this contract. Members were informed that this particular contract is for the NW only, however other regions would be able to buy off the YPO Framework if they so wished.

Members Resolved that:

- a) The outcome of the tender process, as detailed within the report, be noted.
- b) The award of contract for the various lots, to the companies as detailed within paragraph 5 of the report, be approved.

7. Disposal of West Kirby

This Minute contains EXEMPT information by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Close

Date of next meeting Thursday, 21 May 2020

Signed: _____

Date: _____

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

This report is Restricted

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MERSEYSIDE FIRE AND RESCUE AUTHORITY

MEETING OF THE

URGENCY COMMITTEE

26 SEPTEMBER 2019

MINUTES

Present: Councillors Les Byrom, Andrew Makinson, Linda Maloney, Steff O'Keeffe and Jean Stapleton

Also Present:

Apologies of absence were received from: Cllr Brian Kenny and Cllr Emily Spurrell

1. Preliminary Matters

Members considered the identification of any declarations of interest, matters of urgency or items that would require the exclusion of the press and public due to the disclosure of exempt information.

Resolved that:

- a) no declarations of interest were made by individual Members in relation to any item of business on the Agenda
- b) no additional items of business were determined by the Chair to be considered as matters of urgency; and
- c) no items required the exclusion of the press and public, due to the disclosure of exempt information:

Members were advised of the reasons for calling this meeting under the urgency provisions contained within the Constitution at Standing Order 17.1

2. Extension of current contract for the provision of Finance, Human Resources, Procurement and Payroll ICT Applications

Members consider Report CFO/052/19 of the Director of Finance, concerning the request to extend the current arrangement with Advance for the provision of Finance, People & Payroll, and Procurement applications for a period of 2 years, up to 2023.

Members were provided with an overview of the report, which provided a background to the current provision of ICT applications that meet the needs of Finance, People, Payroll and Procurement services.

Members were informed that over the last 6 years, significant staff and financial resources have been invested into getting the current ICT applications, fit for purpose. They were informed that the current applications deliver a fully integrated, best of breed solution that meets all service and regulatory requirements.

Members were advised that the current contract arrangements will end in August 2021, therefore officers will need to commence a procurement exercise for a replacement system, now to ensure that new systems are up and running by August 2021.

It was explained to Members that as the current arrangements are deemed fit for purpose; and are operating efficiently and effectively, Officers felt that an opportunity existed to try to sweat the significant investment in the existing ICT applications, by looking to extend the current arrangements until 2023. Therefore, negotiations were held with the current supplier in late spring, 2019. Members were informed that unfortunately, Officers were not able to get a finalised proposal, including the financial details, from the supplier, until late in August.

Members were advised that it is the recommendation of Officers that the current arrangements be extended up to 2023. However, if they wish Officers to commence a full procurement exercise for a new or alternative application provider, then Officers would need to commence the procurement exercise now, hence the reason for requesting consideration of the proposal as a matter of urgency.

Some of the benefits of extending the current arrangements to 2023, were highlighted to Members, as follows:

- It will extend the period of benefit the Service will receive from the last six years of financial and staff investment that has ensured robust and fit for purpose ICT applications for the relevant services.
- It will defer the need to invest significant staff and financial resources over the next 2 years, into the procurement of a replacement system.
- It may offer an opportunity to replace the current Stars (Staff Training and Management application); and People and Payroll application, with one single ICT application; and
- It provides additional flexibility for the future provision of Finance, People and Procurement applications, if any changes come about in the near future to the current governance or service arrangements.

Members were also advised that should they approve the recommendations within the report, a project will commence in 2021 to look at future replacement options for these applications, including looking at any collaboration

opportunities with neighbouring Councils, Merseyside Police, or other public sector bodies.

Members were further informed of collaboration discussions which have taken place with Merseyside Police, who are in the process of introducing an ERP. They were advised that MFRA have utilised a best of breed approach instead; and Members were assured that the applications we have, have been advanced and updated in the 6 years we have had them, meaning that they are still the best on the market. With regards to the ERP currently being procured by Merseyside Police, Members were advised that this is likely to take 2 years to embed. They were informed that discussions had taken place around this issue at meetings of the Strategic Leadership Team, where it was concluded that the cost in terms of time and effort of switching to an ERP, were not justified at present, however it was something that the organisation will take a view on at a future point.

Members were further informed that discussions had taken place with Merseyside Police, regarding the ability for MFRA to “on-board” to their ERP at a point in time. They were advised that in 2 years’ time, Merseyside Police’s ERP will be embedded, at which point MFRA may consider a collaborative approach.

Members commented that the approach proposed was sensible.

Members Resolved that:

The extension of the current arrangements with Advance, for the provision of Finance, People, Payroll and Procurement applications, for an additional 2 years, be approved.

Close

Date of next meeting Tuesday, 4 February 2020

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MERSEYSIDE FIRE AND RESCUE AUTHORITY

MEETING OF THE

URGENCY COMMITTEE

4 FEBRUARY 2020

MINUTES

Present: Councillors Les Byrom (Chair), Brian Kenny, Del Arnall and Lisa Preston

Also Present:

Apologies of absence were received from: Cllr James Roberts

1. Preliminary Matters

Members considered the identification of any declarations of interest, matters of urgency or items that would require the exclusion of the press and public due to the disclosure of exempt information.

Resolved that:

- a) no declarations of interest were made by individual Members in relation to any item of business on the Agenda.

The Chief Fire Officer did highlight to Members, that as both himself and the Treasurer – Ian Cummins are Statutory Officers, the Authority's Statutory/ Relevant Officers Disciplinary Procedure, would apply to them. However, it was noted that this meeting is simply to consider procedural changes, therefore having no effect on any individuals.

- b) no additional items of business were determined by the Chair to be considered as matters of urgency; and
- c) no items required the exclusion of the press and public, due to the disclosure of exempt information:

2. Authority Statutory/ Relevant Officers Disciplinary Procedure

Members considered Report CFO/009/20 of the Chief Fire Officer, concerning revisions to the Authority's Statutory Officers Disciplinary Procedure in order to reflect The Local Authority (Standing Order) (England) (Amendment)

Regulations 2015 Considerations; and associated changes to the Constitution in order to establish the required procedural governance. Members were advised that the report and amended procedure will also address any outstanding actions from report CFO/042/15 (Appendix A).

Members were informed that the Authority had previously approved the adoption of the Local Authority (Standing Orders) Regulations 2015, as detailed within Appendix A. However, since its implementation of the 2015 Regulations, further guidance has been issued along with a national recognised model procedure, which is applicable to statutory posts.

Members were advised that officers have reviewed current processes; and it became apparent that sufficient processes were not in place for the Authority to be compliant with the 2015 Regulations, nor to offer the support and/ or assistance to the relevant officers, should it be required; and this urgently needed to be rectified.

Members were informed that the full detail of the new proposed process, is contained within the draft disciplinary procedures for relevant officers, contained at Appendix C.

Members were also advised that as part of the proposed process, there would be a requirement to have an Investigatory and Disciplinary Committee, referred to as an IDC, which would hear any initial allegations.

It was stated to Members that it is therefore proposed that this function is carried out by the Audit Committee, as detailed within the draft Terms of Reference. It was highlighted to Members that the draft Terms of Reference include the power to appoint an Independent Investigator, if required, the details of which are contained within the Procedure.

Members were informed that should the matter progress, in accordance with the 2015 Regulations and Procedure, an Independent Panel would need to be created (as identified within Appendix A); and it is recommended that the Independent Panel, if approved, should consist solely of Independent Persons. Members were advised that the recommended number of Independent Persons for such a Panel, is three, although the minimum requirement is two. It was noted that this will allow independent scrutiny, whilst ensuring Member involvement at every other stage.

It was highlighted to Members that the Authority currently has one appointed Independent Member; and authorisation is therefore sought to invite the Independent Person, to serve on the Independent Panel. However, it should be noted that if appointed to the Independent Panel, the Independent Person, as a Co-opted Member of the Audit Committee, would not be able to participate in any meetings of the Audit Committee convened as an IDC, due to a conflict of interest.

Members were also informed that, in order to avoid any undue delay, under the 2015 Regulations, it is permitted to use Independent Persons appointed directly by this Authority, as well as those appointed by other authorities. As such,

authorisation is sought for the Monitoring Officer, or their relevant authorised deputy, to write to colleagues across Merseyside at other local authorities, with a view to establishing a pool of Independent Members for the purposes of the Relevant Officer Disciplinary Procedure; and potential inclusion on the Independent Panel, only if and when convened.

With regards to remuneration, Members were advised that payment of £50 per attendance, as per the current Members Scheme of Allowances, would be applicable; and it is proposed to extend this to any Independent Persons acting on the Independent Panel, appointed by a different Authority.

Members were also informed that Standing Order 36 of the Constitution, will also require amending, to reflect the new proposed Procedure. Also, as the disciplinary procedures currently apply to the three statutory posts within the organisation, as well as the Deputy Chief Fire Officer, it is proposed to extend this to the Assistant Chief Fire Officer post, to be consistent with the Principle Officer structure.

Members were also advised that the full proposed changes to the Constitution, are detailed within Appendix B; and the legal and financial implications, are also detailed within the report.

Members commented that they thought it was a good idea to utilise Independent Persons from other authorities and work more collaboratively across Merseyside.

A question was raised by Members with regards to the timescales for the appointment of Independent Persons being at least 20 working days before the meeting is convened; and it was confirmed to Members that those timescales are stipulated within the Regulations.

Members Resolved that:

- (a) Revisions to the Authority's Constitution in order to extend the terms of reference of the Audit Committee to include its role as Investigation and Discipline Committee (IDC) (Appendix B), be approved.
- (b) The revised Statutory Officers Disciplinary Procedure (Appendix C), be approved.
- (c) The Monitoring Officer/Acting Monitoring Officer, be requested to write to the Independent Member to invite them to become part of the Independent Panel and if accepted, note that this would result in them being omitted from the IDC.
- (d) The establishment and make up of an Independent Panel as detailed in the report, be approved.
- (e) The Monitoring Officer/Acting Monitoring Officer be requested to write to Local Authority colleagues in order to establish a pool of

Independent Persons who could be utilised to make up the Independent Panel if required.

Close

Date of next meeting Date Not Specified

MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	AUTHORITY BUDGET MEETING		
DATE:	27 FEBRUARY 2020	REPORT NO:	CFO/002/20
PRESENTING OFFICER	CHIEF FIRE OFFICER		
RESPONSIBLE OFFICER:	DEB APPLETON, JANET HENSHAW, PAUL MURPHY	REPORT AUTHOR:	ED FRANKLIN STEWART WOODS BERNIE SULLIVAN
OFFICERS CONSULTED:	IAN CUMMINS SIMON PURCELL		
TITLE OF REPORT:	ASSET MANAGEMENT PLANS 2020/2025		

APPENDICES:	APPENDIX A: ESTATES ASSET MANAGEMENT PLAN
	APPENDIX B: ICT ASSET MANAGEMENT PLAN
	APPENDIX C: TRANSPORT ASSET MANAGEMENT PLAN

Purpose of Report

1. The purpose of this report is to set out how the Authority, plans to align its physical assets with its corporate plan and strategic objectives over the next 5 years (2020/21 – 2024/25).
2. The Asset Management Plans take account of the financial challenge faced by the Authority and consequently the changes that are likely to be required to in order to continue to meet requirements and expectations of both internal and external service users.

Recommendation

3. That Members approve the revised Asset Management Plans provided as Appendices to this report.

Introduction and Background

4. This report introduces the plans which set out how the Authority will use its physical assets in an efficient and effective manner over the various life-cycles of the assets to support service delivery.
5. The asset management arrangements divide the Authority’s physical resources into three broad areas;

1. Buildings, land and contents
 2. ICT (including risk critical applications)
 3. Transport / Vehicle fleet
6. The Asset Management Plan for each of the three areas set out the strategic goals for the asset portfolio by outlining what programmes will be delivered, the methods of programme delivery, and what assets and resources will be required.
 7. The Asset Management Plans enable the practical implementation of the Authority's strategic goals and helps in identifying the optimal asset base that is necessary to support service delivery requirements.
 8. The underlying principle in developing Asset Management Plans is that each asset will deliver future benefit to the Authority by supporting service delivery, whether directly or indirectly.
 9. The Asset Management Plans also acknowledge that as employee numbers reduce it becomes increasingly important to ensure the provision of physical assets which fully enable staff to work in the most effective and productive way possible.
 10. The Asset Management Plans should be viewed in conjunction with other strategic documents, in particular, the Capital Strategy and Capital Programme, supporting and informing the Financial Strategy and the budget for 2020/21 to 2024/25.

Equality and Diversity Implications

11. All Asset Management Plans acknowledge the need to comply with all relevant equalities legislation and best practice.

Staff Implications

12. There are no identified staff implications as a result of this report.

Legal Implications

13. Each plan recognises the relevant legislative and regulatory requirement of the particular area and details how compliance will be achieved.

Financial Implications & Value for Money

14. There are no direct financial implications as a result of this report.
15. The Asset Management Plans are essential to enable use of financial resources in the most efficient and effective way. They provide supporting information that enables the prioritisation of both capital and revenue expenditure on each of the asset groups to feed into the Authority's 2020/21 – 2024/25 Medium Term Financial Plan elsewhere on today's agenda.

16. The focus on managing assets to support strategic change programmes plays a crucial role towards the Authority's aims of securing measurable efficiency, effectiveness and value for money in delivery of its services.

Risk Management, Health & Safety, and Environmental Implications

17. The use of the Asset Management Plans minimises the risk of the Authority's major assets failing to support its overall aims, objectives and priorities and thus failing to support efficient and effective delivery of services to the community

Contribution to Our Mission: *Safer Stronger Communities – Safe Effective Firefighters*

18. This approach will establish on an ongoing basis the suitability of the current assets held by the Authority, identifying future changes in Service need. Monitoring the performance of assets is central to effective forward planning and ensuring assets support the service delivery requirements arising from Authority's strategic priorities.

BACKGROUND PAPERS

GLOSSARY OF TERMS

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Property Asset Management Plan

2020 / 2025

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1 Overview

1.1 Asset Management

This is our Property Asset Management Plan 2020/2025 which supersedes the 'Property Asset Management Plan 2019/2024, following our annual internal review.

The purpose of this Property Asset Management Plan is to provide clear guidance on the management of property assets, along with setting out guiding principles for our Property Asset Management Planning process.

Our Property Assets are important to the Authority's overall business as a base for operational staff, support staff, volunteers and advocates along with being a fundamental and integral part of our community work. Our properties provide a hub for community integration allowing the community to approach the fire and rescue service and they also provide a base for our community outreach work.

Effective asset management will provide assets that are sustainable, fit for purpose and provide value for money. To achieve this, we will

- Dispose of assets we no longer require
- Maintain, rationalise and develop the assets we keep
- Plan and acquire assets we require to meet operational needs

The Plan outlines the asset management process and guiding principles used to ensure the assets meet the current and future needs of Merseyside Fire and Rescue Authority, our staff and the communities we serve. It details the current position regarding key assets and sets out the key capital priorities and budget requirements to achieve them.

Despite being in times of economic uncertainty, the Authority has invested in modernising its estate over the last 10 years. With the ongoing austerity measures, it remains vital for the Authority to implement best practise in the management of its land and buildings. It is anticipated that the proposals contained within this Plan can be implemented over the next five years improving and modernising our Property Assets where appropriate.

The Plan integrates fully with the Authority's business and financial planning processes, with clear alignment between the Asset Plan and other service plans. It reflects the Authority's vision and takes cognisance of, and must be read in conjunction with, the Integrated Risk Management Plan (IRMP).

1.2 Estates

The Estates Department are part of Legal, Procurement, Estates & Democratic services directorate and are responsible for managing the property assets with an estate comprising of approximately 50,000m² of managed space located over 40 acres of land in the Merseyside region, which has a population of some 1.4 million residents and spans 249 square miles (645km²). This incorporates 23 operational Fire and Rescue Stations and a further 16 non-operational support sites including a Marine Rescue Unit and 4 LLAR houses.

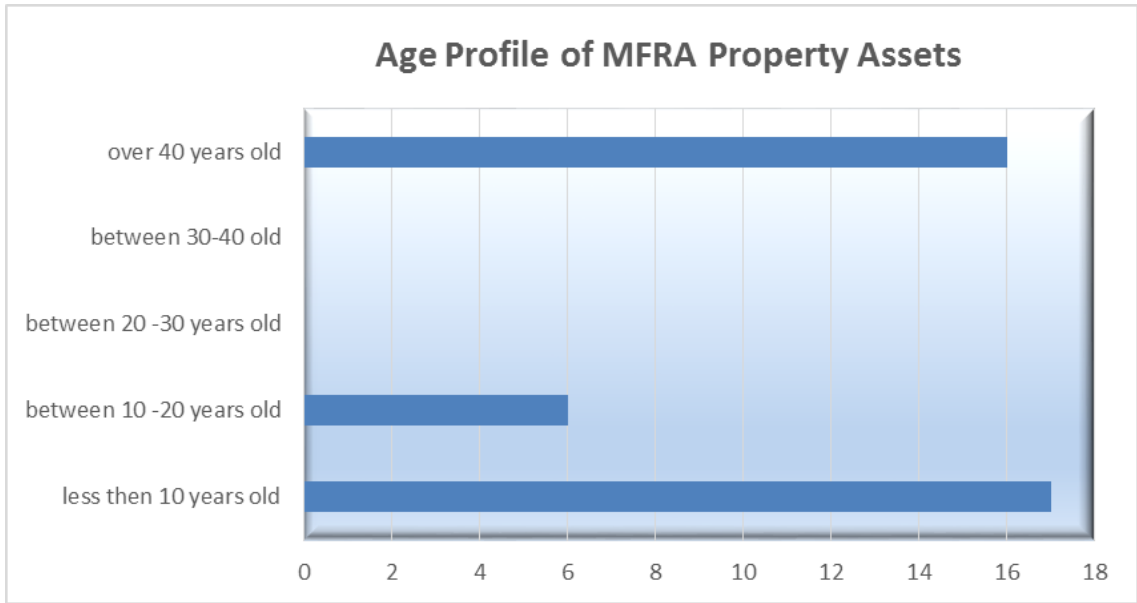
The department can be split into three key delivery areas

- Facilities Management – Bouygues Energies and Services Ltd were awarded the five year contract to provide the facilities service provision in July 2015, covering the following service lines - cleaning, security, reactive and planned maintenance, Helpdesk, condition monitoring, waste, pest control, energy / environmental & statutory compliance. The contract has been extended until July 2021.
- Project Management – project management of all major and minor capital build project are developed and managed within the department
- Private Funded Initiative (PFI) – management of the 16 North West PFI fire stations built by Balfour Beatty (seven in Merseyside; four in Lancashire and five in Cumbria).

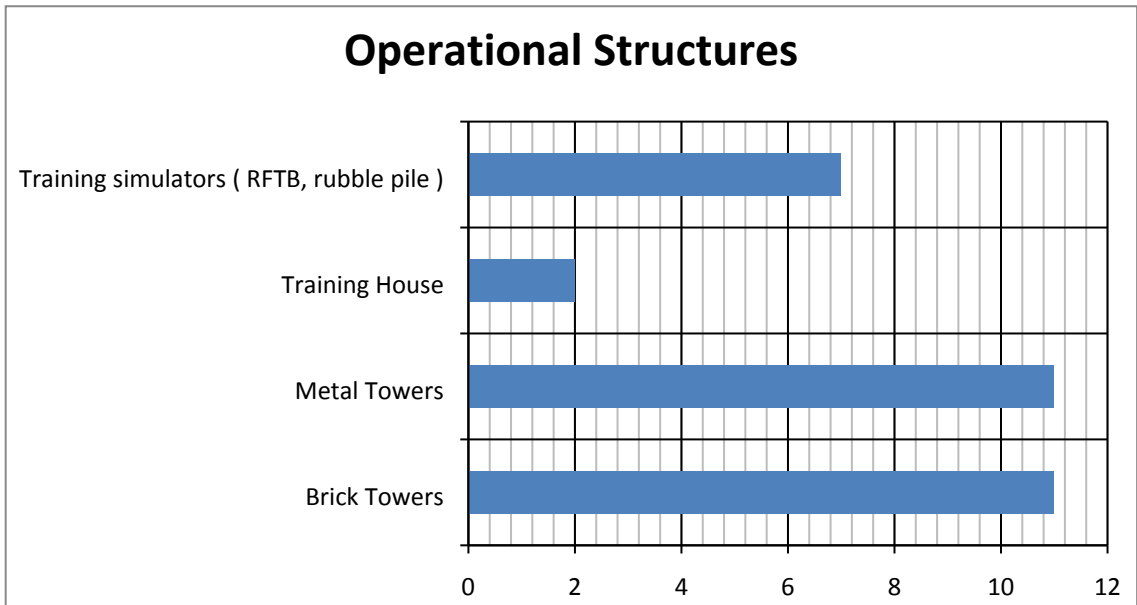
During the last five years Asset Management period there has been significant investment and change to the Authority's property portfolio with the completion of:

- Toxteth Community Fire Station & 'Fire Fit Hub' Youth Facility
- Joint Control Centre
- Refurbishment of Service Headquarters building
- Donation of land adjacent to Birkenhead Fire Station to Wirral Borough Council to allow the construction of a Youth Hub
- Emergency stores – Vesty Road
- Prescott Community Fire & Police Station
- Saughall Massie Community Fire Station

The Estate comprises of a mixture of buildings dating back to 1926. The historic nature of the estate means that some of the properties are old fashioned, lack community facilities and are unwelcoming to the local community. There is a high maintenance requirement associated with the older buildings which are oversized and environmentally inefficient; this clearly provides a challenge for the Estates department managing a high level of backlog maintenance which also increases the levels of reactive works.



Within the property portfolio are operational structures used for training of operational staff. Given the extremes of their individual uses many are short life assets and all require regular safety checks and maintenance.



MFRA manages a number of National Resilience assets for national and regional incidents of large scale nature; these assets require suitable storage and means to ensure they can be deployed quickly and effectively to any incident.

2 Property Aims & Objectives

The Property Asset Management Plan aims to deliver an efficient estate which is fit for purpose to achieve the Authority's Mission of Safer, Stronger Communities - Safe, Effective Firefighters.

The Authority produces an Integrated Risk Management Plan (IRMP) that sets out the ways in which it deals with local risks and challenges. The IRMP updates stakeholders on the progress made against objectives and how it intends to deal with future challenges. The focus of the Asset Management Plan will be determined by the IRMP and as such will be reviewed in line with the IRMP.

The Property Asset Management objectives are to ensure our property assets provide:

- Excellent facilities to meet operational response requirements
- Excellent facilities to support prevention and protection work in the community.
- Excellent facilities which are resilient and adaptable.
- Buildings which are fit for purpose and provide a healthy environment for all our employees and stakeholders
- Value for money property solutions, maximising space utilisation by exploring opportunities for collaboration with partners and other similar authorities.
- Sustainable, environmental and energy considerate sites
- Safe sites, maintained in good condition, and compliant with current legislation
- Sites which are accessible to all and compliant with the Equalities Act 2010.
- BREEAM standard of 'very good' for all new builds.

3 Review of Current Property Assets

Property assets are an important resource in delivering efficient and effective services to our community. A fundamental aspect of any Asset Management Plan is accurate information of the property portfolio.

Property information for each property is held within the Estates department, this information and data is used to review and monitor our property performance on an annual basis. A snapshot of this data can be found in Appendix A – summary of property assets

Following a successful tender process, the new facilities management contract was awarded to Bouygues Energies and Services in 2015, resulting in an asset condition survey being undertaken along with the implementation of a new computerised maintenance management system to record and manage asset condition and life cycle costs. A validation exercise on the current building assets has taken place as part of the Facilities Management contract with the information uploaded onto the new computerised management system.

The purpose of the asset condition survey is to provide verification and condition of all mechanical, electrical and building fabric assets which are maintained across the MFRA Estate. Each asset is then assigned a condition code and priority based on industry best practice.

All property including premises and operational structures are subject to inspection and examination regimes. These vary, in frequency and content, by asset type to reflect their use, construction method, legal obligations and failure implications of the asset.

A quinquennial valuation report was completed in March 2019 which shown the property asset book value (land & buildings) to be £63m. This has decreased in line with depreciation, acquisitions and disposal. Book Value as of December 2018 is circa £57m

A number of Local Performance Indicators are monitored and reported monthly to manage the energy and environmental performance of our buildings.

- Carbon output of all buildings
- Electricity used by MFRA buildings divided by floor space
- Gas used by all MFRA buildings divided by floor space
- Water used by all MFRA buildings divided by floor space
- Waste generated per person per annum

Contract Management of the new facilities management contract and the PFI contract are fundamental to achieve effective asset management. Both contracts have a number of Key Performance Indicators linked to the Service Level Agreements which are reported and reviewed on a monthly basis.

4 Property Asset Management Strategy

The Estates department manage its assets effectively to help deliver its strategic priorities and service in line with the following key principles.

- Prioritise work based on the following weighting
 - **'Health and safety'** – Urgent work that will prevent immediate closure of the premises and/or address an immediate high risk to Health and Safety of the occupants and/or remedy a serious breach of the legislation
 - **'Key Stations Methodology'** – 10 key stations have been identified that form the basis of MFRA operational cover model for our control room. By ensuring all 10 stations have an appliance in their station ground MFRA can meet its 10 minute response standard on 90% of occasions
 - **'Operational Requirements'** – The Authority will continue to review its shift patterns and duty systems in order to provide the most efficient and effective emergency response in Merseyside. The premises need to be flexible and fit for purpose for this service to be delivered.
- Explore opportunities for collaboration with partners, particularly other similar blue light authorities.
- Create community fire stations flexible enough to provide excellent facilities to:
 - Meet the support staff and community requirements.
 - Establish premises as Safe Havens
 - Which are accessible for all
 - Enable the Authority to build on their previous success of reducing anti –social behaviour and arson in the community
- Develop buildings which are sustainable, environmental and energy considerate and deliver real cost efficiencies to meet the financial challenges placed on the Authority.
- To provide a modern infrastructure and enable new ways of working to change the way we deliver services with our partners.
- To carry out ongoing review to provide properties which are fit for purpose, in a satisfactory condition, safe, accessible for people with disabilities and comply with relevant statutory requirements and financial reporting requirements.

Estates department has a robust reporting process to provide systematic and timely reporting of compliance and performance to enable prompt asset-related decision making regarding Estates assets.

In conjunction with MFRA procurement both the PFI and FM contract have robust contract management and reporting procedures in place to ensure effective delivery of asset maintenance.

A project database is held within Estates department which details projects currently being considered and those approved and under development, see Appendix B - Summary of Key Property Projects.

5 Property Asset Monitoring.

Effective Property Asset management requires a monitoring process to provide systematic and timely reporting of compliance and performance to enable prompt asset related decision making.

Monthly FM reports are produced on all MFRA properties to enable asset information, building performance and contractor's performance to be monitored and reviewed.

Information contained with the report includes:

- Health and Safety
- Energy consumption
- Reactive works
- Planned maintenance activities
- Lifecycle costs
- Statutory compliance

For premises and operational structures, environmental and other external factors have a significant impact on asset degradation. The constant heating and cooling cycle within training simulators is also a further major degradation aspect that must be considered. Each of these degradation effects can cause defects that may lead to a loss of stability or integrity. Action has to be taken to proactively monitor these assets and maintain and repair to ensure integrity is maintained. We manage asset degradation risk by a comprehensive inspection, programmed maintenance and renewal regime.

All property including premises and operational structures are subject to inspection and examination regimes. These vary, in frequency and content, by asset type to reflect their use, construction method, legal obligations and failure implications of asset.

- Structural inspection of training structures over a 5 year cycle
- Annual Inspection of Hot Fire training Units
- 5 yearly fixed electrical inspections

- Annual portable appliance testing
- 5 yearly M & E asset condition surveys
- 5 yearly detailed property/valuation condition surveys
- Annual fitness equipment inspections
- Statutory inspections with frequencies ranging from 1 -5 years

A major asset failure report is produced and reviewed with a view to establishing lessons learnt and to feed back into the planning process whenever a major property asset fails.

6 Property Asset Capital Spend Strategy

To manage the Property Asset investment process Estates department classifies spend into four main categories:

- Upgrade works
- Energy conservation works
- Major site refurbishments
- New build

These are explained in the following table:

Property Assets Capital spend Matrix

	Spend	Why	Benefit
Upgrade works	Spend on the existing asset / Infrastructure e.g. upgrade of external lighting, replacing of floor coverings	This spend stops the assets / Infrastructure failing or becoming out of date	More than just 'keeping' the lights on. Ensure Assets and systems are robust, secure and resilient.
Energy Conservation Works	Projects that produce a reduction in energy costs. Help reduce and meet the authority's carbon commitment Use of LED lighting, installing Building management systems	This spend delivers value for money, innovation and savings where appropriate.	accommodating change with a focus on a sound business case and clear deliverables
Major Site Refurbishment works	Spend on Specific Projects where the Asset / premises is an enabler to change or becoming towards the end of it useful life.	This spend delivers the Authority's IRMP	Safer, stronger communities; safe effective Fire fighters. Asset value increases

	e.g. refurbishment of 30 year old station,		
New Build	Spend on Specific New build projects	This spend delivers the Authority's IRMP	Protecting public safety and increasing resilience. New Asset value

The 5 year Property capital budget for 2020 /2025 can be found in appendix C – 5 year capital programme.

The current new build strategy is based upon the station mergers project, Prescott and Saughall Massie station have been delivered under this project with a new St Helens station planned to be operational late 2020.

A review of the Training and Development Academy facility is currently being undertaken to ascertain the feasibility of either the refurbishment of the existing site or the potential for a new development at a new site within Merseyside. Any new development would include the consideration of building a new fire station to replace the existing aging fire stations at Croxteth, Kirkby and Aintree.

A review of the aging Fire stations at Bromborough and Heswall is also being undertaken to explore the potential for a New station to be developed at a site to be determined.

Appendix A – Summary of Property Assets

FIRE STATIONS					
ID	Property	Details			
10	Kirkdale Studholme St Liverpool	Date Of Construction	2012	Total Floor Area (m2)	1872
		No of Appliance Bays	3	Total Site Area (acres)	0.95
11	City Centre St Annes St Liverpool	Date Of Construction	2006	Total Floor Area (m2)	1516
		No of Appliance Bays	4	Total Site Area (acres)	0.59
12	Kensington Beech St Liverpool	Date Of Construction	2010	Total Floor Area (m2)	962
		No of Appliance Bays	2	Total Site Area (acres)	0.025
14	Speke and Garston Cartwrights Farm Road	Date Of Construction	1999	Total Floor Area (m2)	1331
		No of Appliance Bays	3	Total Site Area (acres)	1.1
15	Toxteth Windsor St Liverpool	Date Of Construction	2013	Total Floor Area (m2)	885
		No of Appliance Bays	2	Total Site Area (acres)	
16	Old Swan Queens Drive Liverpool	Date Of Construction	1999	Total Floor Area (m2)	1331
		No of Appliance Bays	3	Total Site Area (acres)	1.55
17	Belle Vale Childwall Valley Road	Date Of Construction	2013	Total Floor Area (m2)	1596
		No of Appliance Bays	2	Total Site Area (acres)	0.95
18	Aintree Longmoor Lane Liverpool	Date Of Construction	1926	Total Floor Area (m2)	691
		No of Appliance Bays	3	Total Site Area (acres)	0.43
19	Croxteth Storrington Ave Liverpool	Date Of Construction	1950 (1980)	Total Floor Area (m2)	1372
		No of Appliance Bays	4	Total Site Area (acres)	0.46
20	Birkenhead Exmouth St Liverpool	Date Of Construction	2013	Total Floor Area (m2)	1204
		No of Appliance Bays	3	Total Site Area (acres)	0.85
21	Brombough Dock Road, Wirral	Date Of Construction	1959	Total Floor Area (m2)	926
		No of Appliance Bays	3	Total Site Area (acres)	0.8
22	Heswall Telegraph Road, Wirral	Date Of Construction	1940	Total Floor Area (m2)	660
		No of Appliance Bays	3	Total Site Area (acres)	0.48
25	Wallasey Mill Lane Wirral	Date Of Construction	1973	Total Floor Area (m2)	1963
		No of Appliance Bays	6	Total Site Area (acres)	1.2
26	Saughall Massie saughall massie Road, Wirral	Date Of Construction	2019	Total Floor Area (m2)	647
		No of Appliance Bays	2	Total Site Area (acres)	0.48
30	Bootle & Netherton Buckley Hill Bootle	Date Of Construction	2012	Total Floor Area (m2)	1421
		No of Appliance Bays	2	Total Site Area (acres)	1.2
31	Crosby Crosby Road North	Date Of Construction	1961	Total Floor Area (m2)	1015
		No of Appliance Bays	3	Total Site Area (acres)	0.9
32	Formby Church Road Formby	Date Of Construction	2012	Total Floor Area (m2)	813
		No of Appliance Bays	2	Total Site Area (acres)	0.57
33	Southport Manchester Road	Date Of Construction	2013	Total Floor Area (m2)	1649
		No of Appliance Bays	5	Total Site Area (acres)	0.7
42	Kirkby Webster Drive Liverpool	Date Of Construction	1960	Total Floor Area (m2)	915
		No of Appliance Bays	2	Total Site Area (acres)	1
43	Prescot Manchester Road, Prescot	Date Of Construction	2018	Total Floor Area (m2)	1200
		No of Appliance Bays	3	Total Site Area (acres)	2
50	St Helens Parr Stocks Road	Date Of Construction	1957	Total Floor Area (m2)	2487
		No of Appliance Bays	5	Total Site Area (acres)	2.3
51	Newton Le Willows Borron Road	Date Of Construction	2012	Total Floor Area (m2)	813
		No of Appliance Bays	2	Total Site Area (acres)	0.55
52	Eccleston Millfields, St Helens	Date Of Construction	1972	Total Floor Area (m2)	710
		No of Appliance Bays	2	Total Site Area (acres)	0.96

Non Operational Sites					
15	Toxteth Fire Fit Hub Windsor street	Date Of Construction No of Appliance Bays	2013	Total Floor Area (m2) Total Site Area (acres)	3427 3.6
71	Service Headquarters Bridle Road	Date Of Construction No of Appliance Bays	1965	Total Floor Area (m2) Total Site Area (acres)	3310 5.6
71	Joint Control Centre Bridle Road	Date Of Construction No of Appliance Bays	2014	Total Floor Area (m2) Total Site Area (acres)	3710
19b	Training School TDA Storrington Avenue, Liverpool	Date Of Construction No of Appliance Bays	1960	Total Floor Area (m2) Total Site Area (acres)	2920 3.95
19c	SRT Garage Croxteth storrington Avenue	Date Of Construction No of Appliance Bays	2011 7	Total Floor Area (m2) Total Site Area (acres)	857
V1	Vesty Unit 1 Vesty Business Park, Vest Road	Date Of Construction No of Appliance Bays	2008	Total Floor Area (m2) Total Site Area (acres)	3505 2
V5A	Vesty Unit 5A Vesty Business Park, Vest Road	Date Of Construction No of Appliance Bays	2008	Total Floor Area (m2) Total Site Area (acres)	378 0.4
V5B	Vesty Unit 5B Vesty Business Park, Vest Road	Date Of Construction No of Appliance Bays	2008	Total Floor Area (m2) Total Site Area (acres)	378 4
81	Marine Fire 1 Pier Head, Liverpool	Date Of Construction No of Appliance Bays	2012	Total Floor Area (m2) Total Site Area (acres)	251 n/a
32a	Formby LLAR 32 The Hamptons, Formby	Date Of Construction No of Appliance Bays	2010	Total Floor Area (m2) Total Site Area (acres)	166
51a	Newton Le Willows LLAR 26 silverdale Road, Newton le willows	Date Of Construction No of Appliance Bays	1974	Total Floor Area (m2) Total Site Area (acres)	165
51b	Newton Le Willows LLAR 23 Borron Road, Newton Le willows	Date Of Construction No of Appliance Bays	1974	Total Floor Area (m2) Total Site Area (acres)	135
17a	Belle Vale LLAR Chidwall Valley Road	Date Of Construction No of Appliance Bays	2010	Total Floor Area (m2) Total Site Area (acres)	209
18a	Old Stores Richie Avenue	Date Of Construction No of Appliance Bays	1926	Total Floor Area (m2) Total Site Area (acres)	240 0.2
51c	Newton Ambulance Silverdale Road, Newton Le Willows	Date Of Construction No of Appliance Bays	1960	Total Floor Area (m2) Total Site Area (acres)	250 0.22
32a	Cable Street Garage 3a Cable street, Formby	Date Of Construction No of Appliance Bays	1920	Total Floor Area (m2) Total Site Area (acres)	547 0.2

Asset by Station	Quantity
Kirkdale	PFI
City Centre	148
Kensington	97
Speke & Garston	107
Toxteth	196
Old Swan	104
Belle Vale	PFI
Aintree	78
Croxteth	156
Birkenhead	PFI
Bromborough	102
Heswall	102
Wallasey	120
Bootle & Netherton	PFI
Crosby	100
Formby	PFI
Southport	PFI
Prescot	150
Saughall Massie	130
Kirkby	99
St Helens	172
Newton le Willows	PFI
Eccleston	84
SHQ /JCC	560
TDA	83
Vesty 1	150
Vesty 5a	80
Vesty 5b	80
Marine Fire 1	62
Formby LLAR	42
Newton Le Willows LLAR - 26 Silverdale Road	19
Newton Le Willows LLAR - 23 Borrton Road	19
Belle Vale LLAR	34
Richie Avenue	n/a
Newton - old Ambulance Station	n/a
Formby - Old Garage	n/a

Assets by Category	Quantity
Automatic Doors & Gates	128
Boilers	119
Building fabric	160
Catering Equipment	272
Doors	72
Electrical equipment & infrastructure	706
Fans	249
Fuel Tanks	28
Generators and ancillary equipment	16
Gym Equipment	178
HVAC	494
Portable appliance tests	9300
Local Exhaust Ventilation system and ancillary equipment	20
Lifts	15
Lighting protection	9
Man safe equipment	1
Metering equipment	11
Pumps	159
Sanitary equipment	326
Sprinkler / de mist equipment	34
Tanks	21

Appendix B – Summary of Key Property Projects

Location	Project	Project Status	Estimated Start Date	Estimated Completion Date
Prescot	Construction of a three bay fire station / training facility and partner accommodation for Merseyside Police	Completed Jan 2018	Nov'16	completed
Saughall Massie	Construction of a two bay fire station / training facility	Planning permission granted	May 2018	Completed
St Helens	Construction of a three bay fire station / training facility and Possibly partner accommodation for Merseyside Police	Feasibility stage / site investigation being undertaken	Jan 2019	Oct 2020
Newton Le Willows	Construction of a five bed LLAR house with blue light partner accommodation	Planning permission granted, tender process under way	On hold	
Formby	Construction of a five bed LLAR house with blue light partner accommodation	Planning permission granted, tender process under way	Jan`19	Dec 2020
SHQ	Upgrade to electrical supply capacity, Air conditions within Comms room	Feasibility stage	tbc	tbc
Aintree	upgrade of station for day crewing arrangements, including new roof	Tender stage		completed
TDA	Review of all training facilities and refurbishment of station 19 and the TDA site	Planning stage		2022
Vesty 1	Construction of an internal 24 hr emergency store room	tender stage	Oct`15	completed
Various stations	Construction of individual study rooms across 24/hr duty system station	Ongoing		Jun`20
Various stations	Adaptation to fire stations to meet current Equality Act. Provide access to all	Ongoing		Dec`20
Museum	Extension to the Heritage Museum	Awaiting Lottery		On hold

		funding decision		
City Centre	Demolish Claire's building and construct training tower	Building demolish, tower due for completion Mar'18		completed
Allerton	Disposal of site	ongoing		completed
Heswall	Major Refurbishment	on going	March 19	Dec`20
Kirkby	Major Refurbishment	Feasibility	Apr`19	Mar`20
Speke	Major Refurbishment	Feasibility	Apr`23	Mar`24
Old Swan	Major Refurbishment	Feasibility	Apr`23	Mar`24
Bromborough	Major Refurbishment	Feasibility	Apr`19	Dec`20
All locations	Review of security – access control and CCTV provision	Specification design stage	Mar 19	mar 20

Building / Land - Proposed Budget 2019/20 to 2024/25

Type of Capital Expenditure	Total Cost £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Major Site Refurbishments							
BLD016 Community Station Investment	96,000	46,000	25,000	25,000			
BLD039 FS Refurbishment Heswall	500,500	50,000	450,500				
BLD041 FS Refurbishment Aintree	159,900			159,900			
BLD042 FS Refurbishment St Helens	102,700	27,700	75,000				
BLD055 FS Refurbishment Bromborough	350,000	60,000	290,000				
BLD056 FS Refurbishment Eccleston	50,000	10,000	40,000				
BLD057 FS Refurbishment Crosby	150,000		150,000				
BLD063 FS Refurbishment Kirkby	375,000	10,000	365,000				
BLD070 Workshop Enhancement	88,000	38,000	50,000				
BLD071 Station Refresh	142,400	65,000	52,400	25,000			
BLD084 FS Refurbishment Croxteth	293,500	43,500	250,000				
BLD085 FS Refurbishment Speke/Garston	300,000		150,000		150,000		
BLD086 FS Refurbishment Old Swan	300,000		150,000		150,000		
BLD087 FS Refurbishment City Centre							
BLD088 FS Refurbishment Kensington	140,000		40,000		100,000		
BLD089 FS Refurbishment Toxteth	200,000			200,000			
BLD090 FS Refurbishment Wallasey	125,000	50,000		75,000			
BLD091 TDA Refurbishment	4,509,000	15,200	4,493,800				
BLD093 Marine Fire 1 Refurbishment	150,000			150,000			
	8,032,000	415,400	6,581,700	634,900	400,000		
Station Mergers							
BLD082 Saughall Massie FS New Build (CFO/058/15)							

BLD083	St Helens FS New Build (CFO/059/15)	7,861,000	5,361,000	2,500,000				
		7,861,000	5,361,000	2,500,000				
	Other							
BLD073	SHQ Museum	191,000		191,000				
		191,000		191,000				
	LLAR Accomodation Works							
BLD036	LLAR Accommodation Formby	520,500	520,500					
BLD050	LLAR Accommodation Belle Vale	50,000		50,000				
BLD075	LLAR Accommodation Newton-le-Willows	278,400	7,700	270,700				
		848,900	528,200	320,700				
	General Station Upgrade Works							
BLD001	Roofs & Canopy Replacements	288,000	88,000	40,000	40,000	40,000	40,000	40,000
BLD004	Concrete Yard Repairs	136,000	16,000	40,000	20,000	20,000	20,000	20,000
BLD005	Tower Improvements	60,000	10,000	10,000	10,000	10,000	10,000	10,000
BLD013	Non Slip Coating to Appliance Room Floors	208,000	33,000	55,000	30,000	30,000	30,000	30,000
BLD014	Boiler Replacements	123,000	28,000	35,000	15,000	15,000	15,000	15,000
BLD020	Electrical Testing	235,000	35,000	120,000	20,000	20,000	20,000	20,000
BLD031	Diesel Tanks	75,000	75,000					
BLD033	Sanitary Accommodation Refurbishment	157,000	27,000	50,000	20,000	20,000	20,000	20,000
BLD044	Asbestos Surveys	103,000	28,000	35,000	10,000	10,000	10,000	10,000
BLD060	DDA Compliance	302,000	92,000	170,000	10,000	10,000	10,000	10,000
		1,687,000	432,000	555,000	175,000	175,000	175,000	175,000
	Other Works							
BLD007	L.E.V. System in Appliance Rooms	44,000	9,000	15,000	5,000	5,000	5,000	5,000
BLD018	Conference Facilities SHQ	50,000	10,000	20,000	5,000	5,000	5,000	5,000
BLD026	Corporate Signage	44,000	9,000	15,000	5,000	5,000	5,000	5,000
BLD032	Power Strategy	74,000	44,000	10,000	5,000	5,000	5,000	5,000
BLD034	Office Accommodation	113,000	38,000	15,000	15,000	15,000	15,000	15,000
BLD053	Headquarters Lighting	25,000		25,000				
BLD058	HVAC - Heating, Ventilation & Air Con	102,000	27,000	75,000				
BLD061	Lightening Conductors & Surge Protection	68,000	23,000	25,000	5,000	5,000	5,000	5,000

BLD062	Emergency Lighting	55,000	15,000	20,000	5,000	5,000	5,000	5,000
BLD067	Gym Equipment Replacement	158,000	28,000	50,000	20,000	20,000	20,000	20,000
BLD092	Service Headquarters Offices	115,600	25,600	90,000				
BLD094	Security Enhancement Works	159,000	34,000	25,000	25,000	25,000	25,000	25,000
CON001	Energy Conservation Non-Salix	217,500	112,500	25,000	20,000	20,000	20,000	20,000
CON002	Energy Conservation Salix	76,000	76,000					
EQU002	Replacement programme for Fridge Freezers	81,000	31,000	10,000	10,000	10,000	10,000	10,000
EQU003	Furniture Replacement Programme	101,000	30,500	20,500	10,000	10,000	10,000	20,000
		1,483,100	512,600	440,500	130,000	130,000	130,000	140,000
		20,103,000	7,249,200	10,588,900	939,900	705,000	305,000	315,000
Original Budget		17,645,500	10,822,700	4,872,900	939,900	705,000	305,000	
Current Programme		20,103,000	7,249,200	10,588,900	939,900	705,000	305,000	315,000
Changes		2,457,500	(3,573,500)	5,716,000				315,000



ICT Asset Management Plan

2020 - 2025

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ICT Asset Management Plan

1 Overview

1.1 Information and Communication Technology (ICT)

The Authority currently owns the ICT assets in the ICT infrastructure and the ICT applications that run on the ICT infrastructure. The ICT challenge is to provide the most functional, flexible ICT infrastructure possible, to host the applications that deliver benefits to the Authority, all at the lowest cost of ownership. Meeting this challenge systematically through having the right people in the right structure, Infrastructure Lifecycle Management (ILM), Application Lifecycle Management (ALM) and best practices, such as the Information Technology Infrastructure Library (ITIL) can lead to improvements in efficiency, performance and cost management.

ICT can be split into six key delivery areas:

- The ICT infrastructure - data network, voice and radio networks, personal computers (PCs) and devices, servers, printers, etc.
- Commodity applications which run on the ICT infrastructure – Structured Query Language (SQL), Oracle, Microsoft Office and e-mail
- Fire Control applications which run on the ICT infrastructure - Vision FX Computer Aided Dispatch (CAD), Vision FX BOSS, SEED and the Staff Attendance Recording System (S.t.A.R.S)
- Financial applications which run on the ICT infrastructure - ABS eFinancials and ResourceLink
- Corporate applications that run on the ICT infrastructure - Tranman, Planning Intelligence and Performance System (PIPS), the intranet 'portal', Simple Operational Fire Safety Assessment (SOFSA), Site Information Risk and Hazard (SIRAH) and Sophtlogic
- The ICT Service Desk - the central point of contact between ICT providers and users on a day-to-day basis. It is also a focal point for reporting *Incidents* (disruptions or potential disruptions in service availability or quality) and for users making *service requests* (routine requests for services)

The Authority has an in-house ICT team of staff ('ICT') which proactively manages the existing outsourced ICT managed service contract with its ICT partner, telnet. ICT and telnet ensure the maintenance of vital '999' emergency response infrastructure, as well as continuing to expand the use of ICT technology so as to manage our resources more effectively in line with the risks facing firefighters, the communities of Merseyside and the organisational processes of the Authority.

ICT ILM, carried out by telent on behalf of the Authority, is done so in line with best practice from the ITIL framework. ITIL is a set of best practices and processes for the management of the ICT infrastructure and the delivery of ICT services and support.

The processes are mature and at the same time provide an infrastructure that is robust, secure, reliable and resilient; telent continues to deliver savings and innovation through supporting initiatives such as the Multi-Function Device (MFD) contract renewal, whilst continuing to provide a high-performing ICT service desk.

ICT and telent are responsible for ALM of commodity and Fire Control applications, whilst the Finance team and the Strategy and Performance Directorate are responsible for ALM for corporate and in-house developed applications.

1.2 Asset Management

ICT Asset Management is carried out by ICT on behalf of the Authority and it is done so in line with ITIL and Information Technology Asset Management (ITAM). The terminology 'ITAM' is interchangeable with ICT Asset Management.

In line with the organisation's policy for asset management, the lifecycle of an ICT asset has four distinct phases:

- Planning
- Acquisition
- Operation
- Disposal

And ICT follows five major principles:

- ICT asset management decisions are integrated with the strategic planning process
- ICT asset planning decisions are based on an evaluation of the alternatives, which consider the 'lifecycle' costs, benefits and risks of ownership
- Accountability is established for ICT asset condition, use and performance
- Effective disposal decisions are carried out in line with minimal environment impact
- An effective control structure is established for ICT asset management

Further information on how ICT manages ICT assets on behalf of the Authority can be found in the remainder of this plan.

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2 ICT Asset Management Strategy

ITIL ITAM is the set of business practices that join financial, contractual and inventory functions to support lifecycle management and strategic decision-making for the ICT environment. ICT assets include all elements of software and hardware that are found in the organisation's environment.

Under ITAM, ICT manages its assets effectively to help deliver its strategic priorities and services in line with risk, providing value-for-money-services for the benefit of the local community.

ICT has all of its ICT assets recorded in a Configuration Management System (CMS). This system is a database which records details of all the ICT assets and their age, thus enabling ICT to effectively manage the lifecycle of its infrastructure. The database where the asset information is held is on a Service Management System (SMS) called 'Remedy'. This gives the ability to link ICT incidents, assets and people, to enable a more in-depth trend analysis to be performed around ITAM decisions.

ICT has a service catalogue, which outlines all the ICT services provided. Included in this catalogue are references to the capacity planning, security and preventative maintenance carried out on ICT assets.

ICT has a robust reporting process to provide systematic and timely reporting of compliance and performance, enabling prompt asset-related decision-making regarding ICT assets.

ICT has a service pipeline. The service pipeline comprises new ICT services under development and these developments lead to new, or a change of use of, ICT assets (see [Section 5 ICT Assets Service Pipeline](#) for further details).

To manage the ICT five-year capital asset investment plan, ICT classifies spend into four categories:

- Underlying Spend
- ICT Project Spend
- Integrated Risk Management Plan (IRMP) Project Spend
- Fire and Rescue Service (FRS) National Project Spend

ICT has a five-year lifecycle-renewal policy for ICT hardware assets such as personal computers, devices and servers, at which point these ICT assets will be considered end-of-life (EOL).

ICT has a 5-10-year lifecycle-renewal policy for ICT hardware assets such as network switches and telephony, at which point these ICT assets will be considered EOL.

When an ICT asset is highlighted as EOL, its performance is assessed and, if required, a new asset will be purchased.

Adopting a best practice, asset management and configuration management solution allows ICT to understand:

- What ICT assets the Authority has
- Where they are located
- How well they are working
- How effectively they are supporting the business of the organisation

As a result, the following benefits have been realised:

- Accurate information on all ICT assets, providing ICT with the ability to deliver and support its services
- Trend analysis can be carried out against assets to aid incident and problem-solving
- Improved ICT security through advanced ICT asset control
- Improved financial planning through clear identification of all assets and their associated relationships
- Improved software licence management, ensuring legal compliance
- Increased confidence in ICT systems and ICT services
- Increased customer satisfaction

A snapshot-in-time list of the Authority's hardware ICT assets can be found in [Appendix A – Summary of ICT Infrastructure Assets](#). This list can be requested and produced from Remedy to give a real-time view of the ICT asset holding. On a yearly basis, the list is produced for insurance calculation purposes.

The system is also used for various analytical tasks including:

- Identification of obsolete ICT assets based on a purchase date
- Identification of current and previous ICT asset owners
- ICT asset rationalisation
- Role Based Resourcing (RBR)

All ICT assets pass through a configuration management process where they are allocated and labelled with a unique asset reference number.

In line with ITIL, ICT has a Definitive Media Library (DML) to improve the way it tracks software and performs ALM.

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3 ICT Infrastructure Asset Monitoring Activities

ICT maintains an up-to-date service catalogue which outlines all the ICT services provided. Included in this catalogue are references to capacity planning, security and preventative maintenance, all of which are examples of activities carried out on ICT assets.

3.1 Capacity Planning

‘Capacity planning is used to ensure that the Authority has adequate capacity to meet its demands, even during periods of extreme high usage and growth. This includes but is not exclusive to: estimation of disk space, computer hardware, software, and network infrastructure that will be required over a set amount of time.’

Capacity is calculated in various ways depending on the system and specific requirements from ICT.

Regular storage reports are run on servers and file shares, which are used for current and projected growth estimations using bespoke software.

Additionally, network management software is utilised to manage the capacity of all network links used within the Authority’s Wide Area Network (WAN) and Local Area Network (LAN).

3.2 Security

‘The Authority requires multiple levels of security on managed devices to defend against malicious behaviour and mitigate the risk to the Authority.’

Patching is one of the most important parts of a cyber-security strategy; keeping things on the latest version, in most cases, means greater security.

Merseyside Fire and Rescue Authority (MFRA) has a patching policy in place and it applies to each area of the ICT infrastructure. Patching is conducted based on the assessment of risk. This policy is prudent, balancing the need to reduce the amount of downtime to critical systems with cyber-security risk.

To assist in the automation of processes and administration of the status of both end point devices and servers, an ICT infrastructure discovery tool – Nexthink – has been deployed to enable the ICT estate to be tightly managed and, importantly, easily reported on.

This provides security by design, audit and assurance; Nexthink highlights hardware and software, if it is not fully patched and up-to-date, to allow MFRA to adhere to the required patching level defined by the Emergency Services Network (ESN) Code of Connection (CoCo).

A key response to cyber-security is Security Information and Event Management (SIEM) and MFRA is implementing LogPoint as a SIEM tool. This ensures that the appropriate levels of security information are both readily available and stored for an agreed length of time.

Forcepoint is used to protect end-user devices from spam, viruses and other malicious threats via e-mail and internet. The solution configuration is hybrid hosted and on-premise. Sophos Endpoint Protection is used to secure the Authority's systems – including, but not limited to, Windows servers, Windows desktops, Windows laptops, iPads and mobile devices – against viruses, malware, advanced threats and targeted attacks.

With the rollout of the Samsung mobile phones we will be able to take advantage of using Mobile Device Management (MDM) for all corporate devices (company-owned devices), protecting our information more securely than in the past.

MDM is provided by Sophos Mobile Control and provides a full suite of management and security tools for any device, covering the important capabilities of management, security, productivity and compliance.

With the introduction of General Data Protection Regulation (GDPR) and ESN, in addition to the ever-changing security threats from mobile malware and data loss, blue light organisations and partner agencies have realised that they require effective MDM to complement existing security protocols.

Devices containing potential sensitive data are encrypted up to 256 bits using Advanced Encryption Standard (AES).

3.3 Device Preventative Maintenance

'telent is responsible for device preventive maintenance, including planned maintenance activity designed to improve equipment life and avoid any unplanned maintenance activity.'

The Authority requires desktops and laptops to be configured with Sophos Anti-Virus and Windows Updates via a Windows Server Update Services (WSUS) Server.

Recently, System Centre Configuration Manager (SCCM) has been introduced. SCCM is a systems management software product developed by Microsoft for maintaining large groups of computers running Windows 10. SCCM will be initially used to provision the Toughpads which were procured in 2017/2018.

Sophos performs a full daily scan on each device and alerts via desktop and e-mail alerting if any issues are reported.

Windows critical updates are installed via the WSUS server and recommended updates are reviewed and tested before installing on end-user devices.

BIOS/firmware patching is performed when a device is re-imaged from the software library or if a specific fault occurs'.

N.B. The full ICT service catalogue is too large to be an attachment but it can be accessed on request to ICT.

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4 ICT Infrastructure Asset Monitoring Reports

Effective ICT asset management requires a monitoring process to provide systematic and timely reporting of compliance and performance, to enable prompt asset-related decision-making. ICT prepares and publishes the following reports to fulfil this function:

4.1 Service Desk Performance Report – Monthly

The monthly ICT Service Desk Performance Report is provided to enable telent, ICT and the Authority's officers to review the service delivery of ICT for the Authority and, if required, any escalation can be taken to the Strategy and Performance (S&P) ICT and Information Management (IM) Board.

4.2 ICT Infrastructure Usage Report – Monthly

The monthly ICT Infrastructure Usage Report is provided to enable telent, ICT and the Authority's officers to review and discuss infrastructure usage, review the top 10 users of each asset and share the information with the Authority's budget holders.

4.3 Information Security Report – Quarterly

The monthly Information Security Report provides telent, ICT and the Authority's officers (including the Senior Information Risk Owner [SIRO]) with relevant information that supports the Authority's information security policy. It is posted on the portal and is reviewed at the Protective Security Group (PSG) Meeting.

4.4 Problem Management Reports – Monthly

In line with ITIL service management processes, this report provides the statistical analysis and evidence that supports problem management.

Problem management seeks to proactively minimise incidents by identifying and recording problems and known errors within the ICT infrastructure. Errors within ICT infrastructure can cause repeated incidents, which have an adverse effect on the business. Identifying and removing errors can reduce the number of incidents over time.

4.5 Major Incident Management Reports – Ad Hoc

Whenever a major ICT Incident takes place, a Major Incident Management Report is produced and reviewed with a view to establishing lessons learnt and to feed back into the ICT service catalogue.

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5 ICT Assets Service Pipeline

The service pipeline comprises new ICT services under development and these developments lead to new, or a change of use of, ICT assets. ICT has seven main areas associated with the service pipeline:

- ICT Service Requests
- ICT Business Relationship Management
- ICT Continuous Service Improvement (CSI)
- Lifecycle Management
- ICT Strategic Framework
- ICT & IM S&P ICT Board
- Other ITIL Standards

A full list of key ICT projects can be found in [Appendix B – Key ICT Projects and Activities](#).

5.1 ICT Service Requests

The ICT Service Desk issues ICT request forms to allow users to request simple technical changes, information, enquiries or hardware and software changes, e.g. mobile phones.

For certain ICT requests, an approval route through the ICT Infrastructure Manager is needed. The ICT request process is fully integrated in the CMS, with all changes being documented.

5.2 Business Relationship Management

Reporting to the Head of Technology; the Business Relationship Manager (BRM) acts as the liaison between ICT and the organisation to understand its strategic and operational needs. The BRM acts as a single point of contact for senior stakeholders, ensuring understanding of available and future ICT infrastructure services and promoting financial and commercial awareness in order to deliver value for money. The BRM represents the organisation's needs and interests within ICT, contributes to the ICT CSI process (see below) and assists with the supervision and prioritisation of ICT infrastructure services projects.

5.3 ICT Continuous Service Improvement (CSI)

The purpose of the ICT CSI meeting is to ensure that cost-justifiable ICT capacity in all areas of ICT exists and is matched to the current and future agreed needs of the business in a timely manner. A key focus is on increasing the efficiency, maximising the effectiveness and optimising the cost of services and the underlying ICT service management. Meetings follow a six-week cycle and the process is documented in the CSI register. This CSI process is now firmly embedded in the ICT department, and the key benefits have been:

- Clarity of ownership
- Clarity of requirements

- Clarity and management of costs
- Visibility and tracking progress
- Forward planning
- Resource scheduling
- Identifying duplicate effort across the Authority's departments and/or stations
- The ability to utilise information from archive

5.4 Lifecycle Management

The ICT challenge is to provide the most functional, flexible ICT infrastructure possible, to host the applications that deliver benefits to the organisation, all at the lowest cost of ownership. Meeting that challenge systematically through having the right people in the right structure, ILM, ALM and best practices such as ITIL can lead to improvements in efficiency, performance and cost management.

5.4.1 ICT ILM

ILM encompasses the planning, design, acquisition, implementation and management of all the elements comprising the ICT infrastructure.

5.4.2 ICT ALM

ALM encompasses the planning, design, acquisition, implementation and management of all the elements comprising Fire Control and commodity application portfolios.

5.4.3 ITIL

ITIL is a globally accepted approach and set of practices for IT Service Management (ITSM) that focuses on aligning ICT services with the needs of the business.

5.5 ICT Strategic Framework

The ICT Strategic Framework is a cycle of four meetings that takes place on an annual basis and the output feeds into the S&P, ICT & IM Board.

The ICT Strategic Framework is part of the governance applied to the delivery of the telent ICT managed service; meetings are held once a quarter to cover one of three topics. There are two 'Innovation and Technology Forums', an 'Efficiency and Value for Money Meeting' and a 'Strategy and Alignment Meeting' held each year.

The ICT Strategic Framework ensures that the ICT managed services contract:

- Is working effectively
- Has its strategic goals set and aligned with the needs of the Authority
- Improves efficiency of arrangements and delivers mutually beneficial savings and efficiencies

5.6 Strategy and Performance (S&P) ICT & IM Board

There are three monthly thematic S&P boards in place: ICT & IM (with Finance and System Support); Equality and Diversity (E&D) and Performance Planning and Risk Information; which means a thematic S&P ICT & IM Board will meet every three months. The purpose of the S&P ICT & IM Board is to ensure that ICT, application provision and information management are coordinated and aligned to ensure the mission and objectives of the Authority are delivered as effectively as possible.

5.7 Other ITIL Standards

- A Change Advisory Board (CAB) has been set up which will ensure that only authorised changes are deployed to the Authority's infrastructure. This will also improve the communication between key system owners and ICT
- ICT maintains and develops a DML. It ensures that:
 - A secure compound is established in which master copies of all authorised versions of the organisation's software are stored and protected
 - All documents pertaining to applications are stored in a central location, e.g. number of users, location of users, contact details of suppliers and Service Level Agreements (SLAs)
- ICT sets minimum release management standards which third party suppliers are expected and contracted to reach

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6 ICT Asset Replacement Policy

ICT has in place procedures to trace the acquisition, deployment, management and disposal of ICT assets under its control.

Some of the primary goals for asset replacement are:

- To develop an appropriate type of replacement mix based on each asset and its behaviour
- To ensure value for money
- To meet desired/acceptable level of risk
- To enable realistic forecasts of future events

6.1 ICT Asset Purchasing

In the main, the Authority owns the ICT assets. When ICT assets are purchased by ICT, the following applies:

- For small quantities of ICT commodity items; the Authority's ICT outsourced partner will seek quotes and the Authority will purchase
- For large quantities of ICT commodity items; the Authority's ICT outsourced partner will specify requirements but the Authority's procurement team will run mini-competitions and the Authority will purchase
- For ICT assets which require complex installation or if priority support is required; the Authority's outsourced partner specifies and purchases the item on the Authority's behalf and then the Authority pays via change control
- In such cases the Authority's ICT outsourced partner is requested to run a mini-competition and produce options for the Authority to select
- Purchase is done via the contract change control procedure, and the Change Control Note (CCN) is signed off by ICT, Procurement and Legal. No mark-up is charged by the Authority's ICT outsourced partner, as the contract makes provision for commercial services

6.2 ICT Asset Disposal

ICT has in place procedures for the disposal of ICT assets via a company called 'Computer Waste'. Computer Waste is an Authorised Treatment Facility (ATF), fully registered by the Environment Agency (EA). The company specialises in the recycling of waste electrical and electronic equipment (see WEEE).

- All ICT assets disposed of with Computer Waste are recorded on a waste transfer note that is signed and presented to the Authority for audit purposes
- Hard drives are destroyed on the Authority premises, witnessed by an employee of telent, and an accompanying destruction certificate is presented to the Authority for audit purposes

6.3 ICT Hardware Assets

ICT has a five-year lifecycle-renewal policy for ICT hardware assets such as PCs, tablets, mobile devices and servers, at which point ICT Assets will be considered end-of-life. A three-year equipment life was considered but the increased capital spend was deemed to be excessive.

Furthermore, the proliferation of devices along the wide spectrum of ICT presents opportunities and challenges to ICT, as well as budget challenges to the organisation. There is a policy of using shared MFDs and having one MFD per function to replace printers. This printer rationalisation has contributed to budget savings.

RBR is undertaken by ICT, evaluating the agile provision of ICT equipment at stations, SHQ, TDA, Vesty One and 'incidents', based on the roles of the staff housed or present there.

An ICT Asset Based Resourcing (ABR) initiative is also in place as a check and balance to RBR, ensuring operational vehicle assets match the role of firefighters and senior officers who use such vehicles.

ICT has a 5-10-year lifecycle-renewal policy for ICT hardware assets such as network switches and telephony, at which point ICT assets will be considered end-of-life.

ICT assets could also be replaced on an ad-hoc basis but this would lead to difficult budget forecasting, with some years seeing larger budget increases than others. If, however, ITIL problem management analysis identifies an ICT hardware asset that is repeatedly problematic, causing a break in service, the equipment would be considered for replacement before its five-year equipment life had expired.

6.4 ICT Asset Movements 2019/2020

The key ICT asset movements to highlight in 2019/2020 are:

- To date 120 Surface Pros have been rolled out and RBR is being viewed as Business as Usual (BAU)
- The deployment of Firecoders from Multitone Electronics replacing station turnout PCs
- The replacement of 200+ Windows Smart Phones with the Samsung Xcover 4 or the Samsung J6s. In the financial year the Samsung J6 has been superseded and trails of potential replacements phones are underway

- The commissioning of the Vesty Road Resilient External Wireless WAN solution based on Siklu point-to-point radio communications
- The successful go-live of new Mitel Phone solution and a move to SIP (Digital) Trunking for Administration Telephony
- The replacement of the Storage Area Network (SAN) with a new HP Modular Smart Array Solution

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7 Fire Control Applications and Hardware Assets

Reporting to the Head of Technology, the ICT Application and Infrastructure Manager (Fire Control) works with the Authority's outsourced ICT partner to carry out appropriate lifecycle management to ensure successful ICT service delivery in line with SLAs. Activities include:

- Following of best practice ICT asset management
- Application or infrastructure replacement or refresh
- Spare holding to replace faulty equipment which is one method in ensuring SLAs are met
- Year-on-year preventative maintenance in mid-October prior to the bonfire period. This is done for both Primary and Secondary Fire Control infrastructure and applications
- Regular relocation exercises to Secondary Fire Control

7.1 Six High Level Areas of ICT in Fire Control.

- CAD; this is where incoming emergency calls are logged and the appropriate resources mobilised to incidents. The Authority uses the Vision 3 FX CAD application
- Management Information System (MIS); providing senior officers with real-time incident information, and the organisation with incident history for trend analysis & business intelligence. The Authority uses the Vision 3 FX BOSS application
- An Integrated Communications Control System (ICCS); an ICCS is found at the centre of modern day control rooms. All communications that go into the control room such as 999 telephony calls, administration telephony calls, radio communication and CCTV are routed via the ICCS. The control room staff can then manage these various communication channels from one place on their desktop by accessing the ICCS.
- Wide Area Radio Scheme; emergency services rely on seamless radio communications coverage to effectively perform their daily tasks. The Authority, in line with the police and ambulance, uses Airwave. The national project Emergency Services Mobile Communications Programme (ESMCP), when completed, will replace Airwave with the ESN.

- Data Mobilisation; Fire Control can mobilise crews to incidents by sending a message to the Mobile Data Terminal (MDT) installed in the appliance. The Authority uses the SEED application
- The Station-end turnout solution installed in every community fire station is comprised of a number of various hardware and software components and subsystems the key one being a Firecoder from Multitone Electronics. The solution involves automatically unlocking doors; switching on of lights; sounding the alarm and printing the emergency turnout information on the fire station printer. This enables crews to respond to emergency turnouts in a safe and efficient manner.

7.2 CAD-MIS Upgrade

In September 2017, the Authority approved a project to replace Vision 3 FX CAD & Vision 3 MIS applications supplied by Capita.

In July 2019 Members approved the upgrade of Vision 3 FX to Vision 5 along with a refresh of the associated components of the Fire Control infrastructure at an expected cost of £820k. This is phase one of a two-phase project to deliver risk critical enhancements with an estimated budget of £950k.

Contracts with Capita have been signed to deliver an upgrade from Vision 3 to Vision 5. A project launch meeting is scheduled for the 3rd week in January 2020 followed by a project board meeting the week after. The hardware orders are being progressed and delivery is expected in February 2020. The Capita Project Manager (PM) is in place and an interim telent PM is also in place whilst recruitment continues.

By mid-2020 to end-2020, with the upgrade to Vision 5 complete, the position will be to take stock and determine what the Authority's next generation Fire Control solution will be and whether it will be shared with other emergency services.

Budgetary costs will be fed into the five-year capital budgeting process once the next generation solution is determined.

7.3 Emergency Service Network (ESN)

The national transition period for ESN is currently 2021-2025 with the North-West region expected to begin transition Q2 2021.

In 2017/2018 a new capital scheme (IT058) was raised to cover future ESN costs. This is additional to the capital schemes that have been set up to facilitate the Home Office funded preparation works. Capital schemes remain largely unaffected; however ESN device refresh and phased integration costs could increase and should not be ruled out.

Future revenue costs for ESN remain unclear. Home Office costs associated with the ESN are expected to be 50% of the current Airwave bill, however, it remains unclear how this will influence future grants.

Work is ongoing with the Home Office to undertake early-adopter trials of ESN products. This aims to reduce the overall project transition period and associated costs. MFRA are also testing early ESN products (Direct 2.0+) which could deliver system enhancements ahead of transition and potentially lower future integration costs.

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8 ICT Commodity Application Software

ICT is responsible for ensuring the Authority has an ALM strategy for all its commodity applications. ICT works closely with all departments to develop and manage organisational commodity applications and agree and monitor ICT application SLAs.

8.1 Microsoft Software: Enterprise Agreement (EA)

The Authority's strategic direction is to use Microsoft products.

In 2018, Microsoft, in collaboration with the Crown Commercial Service (CCS), released details of the next generation framework of public sector pricing. The Digital Transformation Arrangement (DTA) came into effect from 1st May 2018, to run for three years to 30th April 2021. The DTA provides greater access and discounts to assist customers in their use of Microsoft cloud technologies.

To continue to use the latest versions of Microsoft products, such as Window Server, Windows 10 and Office, during 2019/2020 MFRA will need to renew its Microsoft EA for a further three years from April 2020.

In renewing MFRA's Microsoft EA, MFRA will need to sign up to the Microsoft DTA.

The cost of the existing EA, under the now-defunct Microsoft EA Cloud Transformation Arrangement (CTA), is £206k p.a. The initial guide pricing based on 'as is' under the new Microsoft EA DTA is £261k.

This means a potential capital budget increase of £55k p.a. for three years from 1st April 2020.

8.2 Anti-Virus and E-mail Filtering

The ICT-selected anti-virus software, Sophos, protects the Authority from computer viruses and any other threats which may try to enter the Authority's network.

The ICT-selected e-mail filtering system, Forcepoint, is used to filter e-mail and quarantine non-legitimate e-mails via the process of word detection. The words that result in the email being quarantined are recorded in a database and analysed on a monthly basis.

The licences for the anti-virus and e-mail filtering products are procured on a 3-5-year lifecycle and prior to any future renewal, a fit-for-purpose exercise will be carried out.

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9. Corporate and Financial Application Software

9.1 Application Classification

Applications are managed through their lifecycle in collaboration with application owners, and are given a classification to identify their status. The classifications include:

New	Conceived, in planning phase, under construction or newly deployed
Emerging	In production or licenses have been purchased, but in limited use, such as a pilot
Mainstream	In production and actively being used
Containment	In production for a specific or limited purpose
Sunset	In production with scheduled retirement in progress
Prohibited	No longer used

See [Appendix D – Application Status](#) for a full list of applications.

9.2 Application Requests

Any Department with a requirement for a new or replacement application must, in the first instance complete the Application Request Form. The form can be accessed from the S&P homepage on the Portal. The form captures the following information:

- Identified application sponsor and owner
- Organisational need/value
- Risks to the organisation
- Legislative requirements
- Potential efficiency savings
- Collaboration considerations
- Budget allocated for this application

If the application request is approved for progression to the next stage, a further business case is required, detailing the market engagement carried out, cost benefit analysis, and recommendations.

9.3 Application Gateway Team

The purpose of the Application Gateway Team is to provide the Authority with effective governance arrangements for new or replacement applications. The Application Gateway Team are responsible for approving and prioritising the advancement of new or replacement applications within the organisation. See [Appendix D – Application Status](#) for a full list of applications.

9.4 Application Development

9.4.1 Application Toolkit

The Application Development Team utilises a suite of products which assists with the development of internal applications.

Azure DevOps	Azure DevOps is a Microsoft product that provides version control, reporting, requirements management, project management, automated builds, lab management, testing and release management capabilities. It covers the entire application lifecycle, and enables DevOps capabilities.
Azure IaaS	Infrastructure as a service (IaaS) provides a secure and scalable infrastructure.
Azure SaaS	Software as a service (SaaS) allows users to connect to and use cloud-based apps over the Internet.
Visual Studio	Microsoft Visual Studio is an integrated development environment. It is used to develop computer programs, as well as websites, web apps, web services and mobile apps.
ReSharper	ReSharper is a popular developer productivity extension for Microsoft Visual Studio. It automates coding routines by finding compiler errors, runtime errors, redundancies, etc.

9.4.2 DevOps

DevOps is the union of people, processes and products to enable continuous delivery of value to our end users. The combination of 'Dev' and 'Ops' refers to replacing siloed 'Development' and 'Operations' with multidisciplinary teams that work together with shared and efficient practices and tools. DevOps has been adopted as a recognised framework to ensure the success of any app development and to align developed apps and infrastructure; Dev being the Application Development Team, Ops being ICT/telent.

9.4.3 Development Portfolio

The application development portfolio currently consists of the following applications.

Application	Classification
OPS (Operational Performance System)	Mainstream
SOFSA (Simple Operational Fire Safety Assessment)	Mainstream
National Resilience Application	Emerging
SIRAH (Site Information Risk And Hazard)	Emerging
The Hub	New
Protection	New
Prevention	New

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10 ICT Asset Capital Spend Strategy

10.1 ICT Asset Investment Process

To manage the ICT asset investment process, ICT classifies spend into four categories:

- Underlying Spend
- ICT Project Spend
- IRMP Project Spend
- National FRS Project Spend

These are explained in the following table:

	Spend	Why	Benefit
Underlying Spend	Spend on the existing ICT infrastructure including software, devices, servers, networks and voice communication e.g. upgrade of station switches	This spend stops the ICT infrastructure and any software becoming out of date	More than just 'keeping the lights on' An ICT-enabled organisation whose systems are robust, secure and resilient, with the ability to accommodate change
ICT Project Spend	Projects that: Deliver Authority changes, deliver step changes in technology e.g. MDT evolution	This spend delivers value for money, innovation and savings where appropriate	ICT accommodating change with a focus on a sound business case and clear deliverables
IRMP Project Spend	Spend on specific IRMP projects where ICT is a major enabler e.g. station change	This spend delivers the Authority's IRMP	Safer, stronger communities; safe effective firefighters. Releasing budget for frontline resources
National FRS Project Spend	Spend on specific national projects where ICT is a major enabler e.g. ESMCP	Spend to align the Authority's systems to national initiatives	Protecting public safety and increasing national resilience

The 2020/2025 Five-Year Capital Plan can be found in [Appendix C – 2020/2025 ICT Five Year Capital Plan](#)

10.2 Review of the Current Capital Programme

ICT carries out an annual full review of its capital budget. The basis for the review is to:

- Determine if any reductions in planned spend was possible, and/or
- Determine if the asset life could be reviewed (extended) to reduce the frequency of replacing assets etc., and/or
- Determine if anything else could be done to reduce the level of planned borrowing and therefore reduce the impact of debt servicing costs on the future revenue budget

This asset management plan has been updated to reflect this review.

10.3 The Emergence of Cloud Computing.

The ICT cloud strategy is:

‘Application development in the public cloud to transform existing processes to meet business needs, whilst exploring the public cloud, hybrid cloud and on-premise, to deliver dynamically automated ICT infrastructure management, the promise of reduced costs and the ability to run mission critical applications.’

The move to the cloud and taking ICT as a service, rather than buying a product and installing it on ICT equipment, moves the cost of ICT from being mostly a capital, one-off cost to an on-going revenue cost. Therefore, investment in ICT over the coming years will not be a case of deciding where to spend the capital budget, but instead one of choosing between spending revenue on ICT systems or on other priorities.

ICT will work closely with Finance to achieve this potential transition over the coming years.

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11 Glossary

ABR	Asset Based Resourcing
AES	Advanced Encryption Standard
ALM	Application Lifecycle Management
ATF	Authorised Treatment Facility
AV	Audio visual
BAU	Business as Usual
BIOS	Basic Input/Output System
BRM	Business Relationship Management or Manager
CAB	Change Advisory Board
CAD	Computer Aided Dispatch
CCN	Change Control Note
CCS	Crown Commercial Service
CMS	Configuration Management System
CoCo	Code of Connection
CSI	Continuous Service Improvement
CTA	Cloud Transformation Agreement
DML	Definitive Media Library (previously Definitive Software Library, DSL)
DTA	Digital Transformation Arrangement
E&D	Equality and Diversity
EA	Enterprise Agreement or Environment Agency
EOL	End-of-life
ESMCP	Emergency Services Mobile Communications Programme
ESN	Emergency Services Network
FDS	Functional Design Specification
FRS	Fire and Rescue Service
GDPR	General Data Protection Regulation
IAAS	Infrastructure as a Service
ICCS	Integrated Communications Control System
ICT	Information and Communication Technology
ILM	Infrastructure Lifecycle Management
IM	Information Management
IRMP	Integrated Risk Management Plan
ITAM	IT (or ICT) Asset Management
ITIL	Information Technology Infrastructure Library
ITSM	IT Service Management
LAN	Local Area Network
MDM	Mobile Device Management
MDT	Mobile Data Terminal
MFD	Multi-Function Device
MFRA	Merseyside Fire and Rescue Authority
MIS	Management Information System

OPS	Operational Performance System <i>or</i> short form for Operations
PC	Personal Computer
PIPS	Planning Intelligence and Performance System
PM	Project Manager
PSG	Protective Security Group
RBR	Role Based Resourcing
S&P	Strategy and Performance
SAAS	Software as a Service
SAN	Storage Area Network
SCCM	System Centre Configuration Manager
SIEM	Security Information and Event Management
SIRAH	Site Information Risk and Hazard
SIRO	Senior Information Risk Owner
SLA	Service Level Agreement
SMS	Service Management System
SOFSA	Simple Operational Fire Safety Assessment
SQL	Structured Query Language
StARS	Staff Attendance Recording System
TDA	Training and Development Academy
WAN	Wide Area Network
WEEE	Waste Electrical and Electronic Equipment
WSUS	Windows Server Update Service

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Appendix A – Summary of ICT Infrastructure Assets

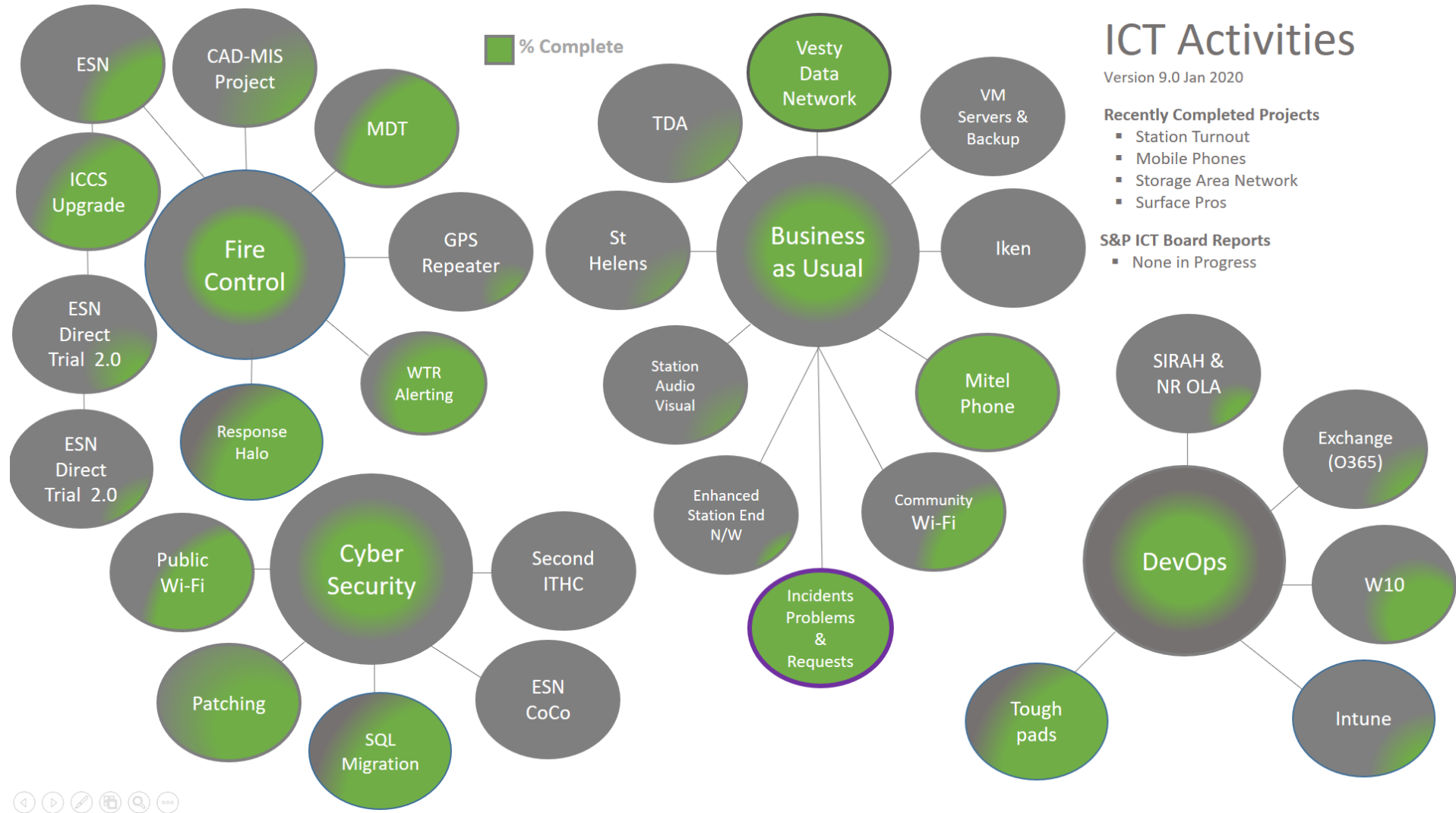
Fire Control Services and Infrastructure	Quantity
Physical Servers (Licensed as part of C&C Solution)	19
Virtual Servers (Licensed as part of C&C Solution)	1
C&C Desktops (Licensed as part of C&C Solution)	27
C&C Monitors	29
DS3000 ICCS Server	1
DS3000 ICCS Client	20
DS3000 ICCS touchscreen	20
Capita VAIU	20
Airwave San H radio gateway	1
Stateboard	3
Alerter Masts	8
Alerter Devices (multitone)	178
UHF Radio Set 2 (GP340)	149
UHF Radio Set 3 (GP340 Atex) for breathing apparatus	42
UHF Radio Set 4 (F61)	11
UHF Radio Set 5 (M1 Euro)	18
Station End Firecoders	27
Station End Turnout Printers	36
Station End Auxiliary Relay Unit (ARU)	32
Station End Amplifiers	35
Station End UPS	40
IMT/IGMS Vehicles	2
Packets Atex/Marine Band/Motorola	266
Fire Control Headsets	40
Mobile Data terminals	79
Mobile Data Terminal touchscreen	96
Appliance printers	85
Airwave mobile radio SAN A	115
Airwave SAN J Radio	65
Airwave SAN B Radio	11
MDT Pump Bay Voice Terminal	85

Administration Infrastructure, Managed Servers & Desktop	Quantity
Physical Servers	65
Virtual Servers	124
Desktops (<i>A limited number of users have two monitors</i>)	631
Laptops (<i>Most People have an external monitor</i>)	324
Docking Stations (<i>Most Laptop Users have an external monitor</i>)	309
Tough Books	60
Monitors	903
Non-Standard Printers (<i>not Konica devices</i>)	9
Konica Minolta Multi-Function Devices (Contracted to August 2022)	53
Konica Minolta Desktop Print Devices (Contracted to August 2022)	13
ASA 5515X - Security Appliance	5
ASA 5510 - Security Appliance	3
ASA 5506X - Security Appliance	3
FPR1010 - Security Appliance	2
Router c819	2
Router c2921	2
Router c1841	23
Router c1921	7
Switch c4510r-e	1
Switch c4507r+e	1
Switch c3850	2
Switch c3750	30
Switch c3560	5
Switch c3550	40
Switch c2960	22
Wireless Controller	1
Wireless Access Points	98
Mitel IP Sets	650
Mitel 5310 Conferencing Phones	10
HP Tape Library 8096	1
HPE MSA 2050 (File SAN)	2
HP MSA 2312i (Portal SAN)	1
Panasonic Toughpads	58
Microsoft Surface Pros	122
Microsoft Surface Books	10
Microsoft Surface Laptop	12
Microsoft Surface Go	13
Ubiquiti Nanobeam 5AC Gen 2	2
SIKLU Radio Link	6

Miscellaneous	Quantity
Mobile Phones	434
iPhones	10
Smartphones	216
MTPAS Enabled Mobile SIMS	96
MDT Enables Data SIMS	87
iPad	54
USB Encrypted USB devices	137
3G/4G Dongles	34
Modem	51
Battery Chargers	142
Smart Boards	31
Epson Wall Mounted Projector	5
Barco Click Share	5
Samsung Screens	16
IPTV - Server	1
IPTV - Gateways	3
IPTV - Receivers	31
Remote Access Tokens (Celestix)	100
Running Call Phones	31

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Appendix B – Key ICT Projects and Activities



Fire Control

Item	Description	Status
ESN	ESN will replace the communication service delivered by Airwave with a national mobile voice and data service for all three emergency services.	A programme of works is ongoing including Airwave enhancements and local ESN trials to ensure 'Prime' (the final ESN product) is delivered in 2021.
ESN Direct 2.0 Trial	MFRA has agreed to undertake ESN Product Direct 2.0 trials; testing the delivery and use of handsets on behalf of the Home Office.	The preparation and planning phase of the Direct2.0 trials for handsets began in August 2019 and test scheduling is underway with the intention of starting a formal 6-week testing phase in Feb/March of 2020.
ESN Early Adopter	MFRA is being considered as a lead for the Fire Sector in the development and delivery of small to large scale operational exercises, in order to test the final 'Prime' ESN product in 2021.	Discussions, which started in December 2019, are ongoing with the Home Office to develop MFRA as an 'Early Adopter' of ESN and trial devices.
ICCS Upgrade	This project has four programmes of works which are required to connect the Capita DS3000 ICCS to the new Emergency Services Network (ESN).	The ESN DSNP link is installed and a Phase 1 technology refresh of the ICCS was completed in March 2018. Following a successful Direct 2.0 formal 6-week testing phase, it is likely that a period of enhanced integration of the ESN to our ICCS and CAD will follow.
CAD-MIS Project	Replacement of computer hardware and the upgrading of Vision CAD and Vision BOSS applications to deliver an enhanced CAD for 2020.	Now in contract with Capita to deliver an upgrade from Vision 3 to Vision 5. A project launch meeting is scheduled for the 3rd week in January 2020, followed by a project board meeting the week after. The hardware orders are being progressed and delivery is expected in February 2020.
MDT	Rollout to frontline appliances of the new Mobile Data Terminals (MDTs) with the Airbus mobilisation and risk app.	Work to populate Airbus with risk information and operational documents continues, and rollout of the MDTs (CF33s) is due for completion in May 2020.
Station Turnout	Rollout of Multitone equipment to replace existing station end turnout PCs.	Complete.

Business as Usual (BAU)

Item	Description	Status
Vesty Data Network	To provide a cost-effective wireless solution to connect the MFRA Vesty Road buildings to MFRA SHQ network infrastructure.	Completed. The commissioning of the Vesty Road Resilient External Wireless Wide Area Network solution based on Siklu point-to-point radio communications.
Mobile Phones	Rollout of Samsung Xcover 4 and J6 mobile phones to replace the existing Windows mobile phones.	Complete. The replacement of 250+ Windows smartphones with the Samsung Xcover 4 or the Samsung J6s.
Mitel Phone Upgrade	Replacement of the legacy Mitel IP telephony solution to replace existing hardware due to it becoming end of life.	November 2019 saw the successful go-live of new Mitel phone solution and a move to SIP (digital) trunking for administration telephony.
Incidents and Problems	These are the day-to-day disruptions to the ICT Service outside of BAU ICT Services. e.g. loss of internet, e-mail.	At the time of writing there are no major incidents that are outstanding.
TDA	The project comprises the refurbishment of the TDA and the refurbishment of Station 19. TDA is home to Secondary Fire Control and Disaster Recovery.	ICT tracker is in place to capture scope of the ICT requirements.
Enhanced Station End Network	In line with the Asset Management Plan and increased data demands, the network links to stations will be increased to 100mb from 10mb.	Commercial discussions are ongoing with the supplier – Virgin Media and are expected to be completed in January 2020. Once agreed, a phased upgrade plan will then be implemented to minimise disruption. Note: The existing Virgin Media contract expires 30th June 2020.
Station Audio Visual	The replacement of existing projectors and smartboards with new projectors and screens or 'Clevertouch' TVs, at non-PFI stations only.	Projector numbers, model and approximate costs have been confirmed. Waiting on more accurate quotes from PureAV for two stations. Waiting on Clevertouch demonstration at Mather Avenue Police Training School. Ops Response has expressed an interest in seeing the demonstration.

Other Highlights

Item	Description	Status
Surface Pros	Rollout of Surface Pros in line with Role Based Resourcing (RBR).	To date 120 Surface Pros have been rolled out and Role Based Resourcing (RBR) is viewed as Business as Usual.
Exchange Upgrade (O365)	Exchange migration to Microsoft-hosted O365 mailboxes and user adoption of O365 collaboration functionality.	telent is using Microsoft Deployment Planning Services (DPS) days and the Microsoft FastTrack service to plan and prepare for the upgrade.
Windows 10 (W10)	Over and above the Toughpads and Surface Pros, this is the full rollout of W10 across the organisation.	Video guides have been completed and are on the portal. The service desk is currently converting W7 user guides to W10 before the phased rollout begins.
Intune	Implementation of Intune as the primary Mobile Device Management (MDM) platform (replacement for Sophos Mobile Control).	Intune has been installed, configured and is currently being tested with the new Toughpad build, along with the latest Android mobile Operating System (OS).
Toughpads	Rollout of Toughpads for the SIRAH app.	Toughpads are ready to roll out in line with the SIRAH rollout.
IT Health Check (ITHC) Roadmap	ITHC remedial security activities to ensure readiness for transition onto the ESN.	With most remedial actions complete, it only remains to carry out a second ITHC and complete the ESN Code of Connection (CoCo).

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Appendix C 2020/21 – 2023/2025 ICT Five Year Capital Plan – Draft

ICT - Proposed Budget 2019/20 to 2024/25							
Type of Capital Expenditure	Total Cost £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
IT002 ICT Software							
Software Licences	12,000	2,000	2,000	2,000	2,000	2,000	2,000
New Virtualisation Infrastructure	146,000	71,000				75,000	
3 Year Licences Antivirus & Filtering							
5 Year Antivirus & Filtering Software	200,000				200,000		
MDT Software Solution Refresh	100,000				100,000		
Microsoft SQL Upgrade	50,000					50,000	
Logpoint Security Information and Event Mgmt (SIEM) Refresh	160,000		80,000			80,000	
Windows 7 Security Assurance (Extended Security Update)	12,000		12,000				
Microsoft EA Agreement (Servers & Security)	258,000	48,000	42,000	42,000	42,000	42,000	42,000
Microsoft EA Agreement (Windows & Office)	1,159,000	139,000	204,000	204,000	204,000	204,000	204,000
Microsoft EA Agreement (Application Development)	75,000	5,000	14,000	14,000	14,000	14,000	14,000
	2,172,000	265,000	354,000	262,000	562,000	467,000	262,000
IT003 ICT Hardware							
Desktops (target 20%)	251,600	51,100	40,100	40,100	40,100	40,100	40,100
Laptops/Tablets & Docking Stations (target 20%)	374,400	64,400	62,000	62,000	62,000	62,000	62,000
Monitors & Monitor Arms (target 20%)	84,800	14,800	14,000	14,000	14,000	14,000	14,000
Peripherals replacement (target 20%)	18,200	3,200	3,000	3,000	3,000	3,000	3,000
Mobile device replacement (target 20%)	21,100	6,100	3,000	3,000	3,000	3,000	3,000
Replacement Backup Tape Drive	25,000			25,000			
IP TV Asset Refresh	50,000		25,000	25,000			
Landline Handset Refresh	10,000					10,000	
Audio Visual Conference Facility	120,000		120,000				
Audio Visual Refresh Stations	75,000		75,000				
Audio Visual Refresh TDA	75,000	75,000					
	1,105,100	214,600	342,100	172,100	122,100	132,100	122,100
IT005 ICT Servers							
Server/storage replacement (target 20%)	398,000	73,000	65,000	65,000	65,000	65,000	65,000
Server/storage growth	84,000	14,000	14,000	14,000	14,000	14,000	14,000
SAN 5 Year Refresh	135,000						135,000
	617,000	87,000	79,000	79,000	79,000	79,000	214,000
IT018 ICT Network							
Local Area Network replacement (discrete)	215,000	215,000					
Network Switches/Router replacement	82,000	72,000	2,000	2,000	2,000	2,000	2,000
Network Switches/Routers Growth	30,000	5,000	5,000	5,000	5,000	5,000	5,000
Network Data Port Replacement	50,000		10,000	10,000	10,000	10,000	10,000
Core Network Switch/Router upgrade	200,000						200,000
MDT Wireless Network Replacement	25,000						25,000
Public Wi-Fi Replacement	15,000						15,000
Vesty Road Network Link Refresh	80,000	40,000					40,000
Secondary FireControl backup telephony refresh	40,000						40,000
	737,000	332,000	17,000	17,000	17,000	17,000	337,000
IT026 ICT Operational Equipment							
Pagers/Alerters	98,500		78,500	5,000	5,000	5,000	5,000
Station Equipment Replacement	60,000	10,000	10,000	10,000	10,000	10,000	10,000
Incident Ground Management System	60,000	10,000	50,000				
MDT Replacement (Not incl. in ESMCP)	195,000		120,000			75,000	
Toughpad 5 Year Asset Refresh	150,000						150,000
	563,500	20,000	258,500	15,000	15,000	90,000	165,000
IT058 New Emergency Services Network (ESN)							
ESN Radios / Infrastructure - Estimate	77,000	23,000	54,000				
	77,000	23,000	54,000				
IT060 ICT Station Change							
St Helens Station End Mobilising Equipment	16,000	16,000					
	16,000	16,000					
Other IT Schemes							
IT019 Website Development	34,000	34,000					
IT027 ICT Security - Remote Access Security FOBS	12,000	2,000	2,000	2,000	2,000	2,000	2,000
IT028 System Development (Portal)	124,000	14,000		110,000			
IT030 ICT Projects/Upgrades	25,000		5,000	5,000	5,000	5,000	5,000
IT047 Legal Case Management System	42,500	42,500					
IT055 C.3.I. C. & C Communication & Information System	25,000		5,000	5,000	5,000	5,000	5,000
IT056 Door Access System	9,000	9,000					
IT057 Fleet Management System	5,000	5,000					
IT059 ESMCP Project Control Room Integration	92,000	66,000	26,000				
IT061 ESMCP ITHC Remedial Works							
IT062 Capita Vision 3 Update (CFO/058/17)	950,000	805,000	145,000				
FIN001 FMIS/Eproc/Payroll/HR Replacement	254,000	74,000	180,000				
NEW Planning Intelligence and Performance System (PIPS)							
PIPS System upgrade	120,000				120,000		
	1,692,500	1,051,500	363,000	122,000	132,000	12,000	12,000
	6,980,100	2,009,100	1,467,600	667,100	927,100	797,100	1,112,100

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Appendix D – Application Status

Merseyside Fire and Rescue Authority - Applications Status Update

ITIL Standards

New	Conceived, in planning phase, under construction or newly deployed
Emerging	In production or licenses have been purchased, but in limited use, such as a pilot
Mainstream	In production and actively being used
Containment	In production for a specific or limited purpose
Sunset	In production with scheduled retirement in progress
Prohibited	No longer used

Application Name	Function	Status	Contract Renewal Date
pharOS10 Legislative Fire Safety	Protection Department Module of Sophtlogic. The module is fully featured for the support and maintenance activities and records associated with the Protection function. It offers detailed premises record files, full details of inspections and visits, history of all steps within Certification Process and details of legislative events.	Sunset	31/03/2020
Wand/FireSpace	Remote Fire Safety Audit Tool. WAND allows Fire Safety Officers to download Fire Safety Audits, complete them electronically, before synchronising them back to the central FRS MIS database.	Sunset	31/03/2020

Goldmine (Front Range)	This is a CRM application used by Fire Service Direct in the Community Fire Safety arena.	Mainstream	16/06/2020
HFSC App (SharePoint Portal)	InfoPath form used by stations to record and refer home fire safety checks	Containment	N/A
IIT Database	Used by IIT to record and report on data relating to incident investigations	Mainstream	N/A
SOFSA (Simple Operational Fire Safety Assessment)	This is used by Protection Department and Stations for recordings information relating to a Simple Operational Fire Safety assessment.	Mainstream	N/A
Business Objects	A reporting tool used in Finance.	Mainstream	31/08/2023
E-Financials & E-Procurement	Finance, stores and procurement package	Mainstream	31/08/2023
Civica Case Management	Legal case management system includes a library of documents and workflows linked to a central database. Multiple operations and bulk processing are driven from a single input, whilst shared items can be used to store information related to a particular client, matter or case work.	Sunset	26/02/2020
Iken Legal Case Management	Legal case management system includes a library of documents and workflows linked to a central database. Multiple operations and bulk processing are driven from a single input, whilst shared items can be used to store information related to a particular client, matter/case work.	New	29/11/2022
Modern Gov	Committee decisions management system used to manage authority business including ensuring relevant papers are published to members via the MFRA web page.	Mainstream	31/12/2020
Resourcelink	NGA HR and payroll functionality hosted by ABS 365 to manage the entire employee lifecycle from recruitment to staff development, succession planning and payroll.	Mainstream	31/08/2023

Org Plus	Used by People and Organisational Development to produce organisational charts using the data exported from Resourcelink.	Mainstream	N/A
File Director	Scans and organises images of paper documents used in People and Organisational Development.	Mainstream	01/07/2020
PageTiger	Software that ensures new joiners have all the information they need for a productive onboarding.	Mainstream	11/11/2020
Civica Tranman	Vehicle Fleet Management System	Mainstream	30/01/2024
Red Kite	Equipment/asset management system. Used on stations to ensure operational equipment is checked regularly and appropriately maintained.	Mainstream	31/07/2020
Airbus Hydra	GIS (Geographical Information System) solution which provides risk and hydrant data to the incident ground and organisation.	Mainstream	31/05/2020
Draeger	BA (Breathing Apparatus) testing software	Mainstream	07/12/2020
LearnPro (EFS)	eLearning Management Systems provided by eFireService Ltd	Mainstream	30/04/2022
Auto CAD Architecture (Graitec)	CAD (Computer Aided Design) software	Mainstream	06/01/2021
Wall Chart	Training Resource Planner	Mainstream	
SSRI Progress	Captures site specific risk information and presents it to crews via the MDTs.	Containment	N/A
Voyager Fleet	Black box data logger on vehicles.	Mainstream	29/04/2020
CAPITA Vision FX	CAD Computer aided dispatch. This system logs all incoming emergency calls and supports the mobilisation of appropriate resources for incident management. Currently in use within FireControl.	Mainstream	31/03/2020

CAPITA DS3000	ICCS (Integrated Communications & Control System) partnered to the Vision FX CAD System. This system enables FireControl to utilise Radio & Telephony functions to manage incoming 999 calls and communicate with MFRA resources. Currently in use within FireControl.	Mainstream	31/03/2020
SEED Data Mobilisation (BRIGID)	Data Mobilisation: FireControl mobilise crew to incidents by sending a message to the Mobile Data Terminal (MDT) installed in the Appliance. Crews retrieve Risk Related information from the MDT. Currently in use within Operational Vehicles & FireControl.	Sunset	30/06/2020
SAN H 8-port Vortex System	Firelink delivered solution via CCN 239 which allows the CAPITA DS3000 ICCS to connect directly to the Airwave Network for both Voice and Data communication.	Mainstream	31/12/2020
Vision 3 FX BOSS	Management Information: providing senior officers with real time incident information and the organisation with incident history for trend analysis.	Mainstream	31/03/2020
AIRBUS Sc-Response	Data Mobilisation and Operational Risk retrieval. As part of the replacement programme for the existing SEED (BRIGID) system.	New	N/A
Operational Performance System (OPS)	Internally developed SQL based application to allow the detailed recording, monitoring and assessment of fire fighter competencies against national standards for firefighters.	Mainstream	N/A
Resilience Direct	A replacement service for the National Resilience Extranet that can be built upon to provide additional innovative ways to enhance multi-agency working.	Mainstream	N/A
Airbus Steps	Operational Incident Management package installed on devices on the Authority incident management vehicle.	Mainstream	31/05/2020
OSHENS	Health & Safety management information system.	Mainstream	31/12/2020

Simul8 - Process Evolution	Fire Incident Response Simulator (FIRS) Fire Incident Analyser (FIA) Facility Location Planner (FLP) Used by Strategy and Performance for operational response planning and modelling.	Mainstream	28/02/2020
Ximes	Shift pattern modeller	Mainstream	18/10/2020
StARS	TRM (Time and Resource Management) staffing system.	Mainstream	31/08/2020
AVCO Anycoms	Middleware which reduces the requirement for manual input and transfers files securely between local authorities.	Mainstream	31/12/2020
Gazetteer	Aligned Assets Gazetteer Application. Corporate gazetteer in use across the Authority to provide standardised address information and UPRN data to corporate systems and users.	Mainstream	28/02/2020
Crystal Reports	Reporting tool used in Strategy and Performance.	Mainstream	N/A
IRS (CLG)	Incident Recording System which interfaces, extracts data from Vision	Mainstream	N/A
Planning, Intelligence and Performance System (PIPs)	System that streamlines and enhances functionality relating to station plans, business intelligence, performance management, GIS plotting, project and risk management.	Mainstream	31/07/2020
Portal	SharePoint Portal is used to provide the corporate intranet and central repository for MFRS core data.	Mainstream	08/11/2020
MapInfo GIS	MapInfo is a geographical information system used within Strategy and Performance to display and analyse geo-spatial datasets.	Mainstream	30/05/2020
Fueltek	Fuel management system	New	31/05/2023
SIRAH (Site Information of Risk and Hazard)	A service wide application used to capture, store and consume all operational risk information.	New	N/A

National Resilience Management System (inc. ESS)	A management system used by the National Resilience Assurance Team (NRAT) and the National Coordination Centre (FRSNCC).	New	N/A
The Hub	Management Information System that provides centralised control and data management of all internally developed mobile apps.	New	N/A
Protection	Mobile application that will be used to collect information at fire safety inspections.	New	N/A
Prevention	Mobile application that will be used to collect information at home fire safety checks and safe and well visits.	New	N/A

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Transport Asset Management Plan

2020/ 2025

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Transport Asset Management Plan

1 Overview

This plan supersedes all previous Transport Asset Management Plans and covers the period 2020-2025. The plan is updated on an annual basis in conjunction with the Capital finance programme. This plan details all information relevant to the management and maintenance of the Merseyside Fire and Rescue Service (MFRS) vehicle fleet and is kept live with the assistance of the ICT based Tranman system.

The Operational Preparedness Functional Plan, Service Delivery Plan and Integrated Risk Management Plan (IRMP) provide the focus for the annual review of the Asset Management Plan; all of which are supported by the capital programme for medium or long term financial planning.

The Transport Asset Management Plan assists the Service by

- Providing and maintaining a forward looking, progressive and robust transport service, which uses nationally agreed 'best practice' to enhance the current service provision, in turn facilitating improvement and innovation to service delivery.
- Making available all information regarding future intentions within the transport function available to all areas of MFRS to assist with their future planning.

The objectives of the Transport Function are,

- To support MFRS aims and objectives,
- To ensure the most efficient support and use of transport resources,
- To maintain the appropriate levels of operational capability,
- To reduce costs and offer value for money. To maintain a level of flexibility to adjust to the changing demands of MFRS,
- To facilitate the long term planning of transport assets.
- To make provision for a long term sustainable environmentally friendly solution for the MFRA fleet.

2 Capital Expenditure

Merseyside Fire and Rescue Authority (MFRA) has a five-year capital programme which supports a 20 year capital forecast.

The capital programme sets out in detail the anticipated expenditure for the current year and the following four years for all committed capital schemes approved MFRA. The Capital programme is set and formally approved by the Fire and Rescue Authority on an annual basis.

The capital programme allows for flexibility to assist with any change in circumstances or new innovation.

The purpose of the Transport Asset Management Plan is to provide focus as to how assets should be managed and how they support the objectives and priorities MFRA.

The plan is an essential tool in prioritising capital and revenue expenditure on assets to feed into respective capital and revenue plans.

The assessment of transport spending needs are based on several factors including vehicle age, condition, repair and projected maintenance costs plus the additional requirements of service delivery activity. This ensures that limited resources are targeted in the most effective way.

Where additional transport resources are required, capital and revenue bids are submitted as part of the budget making process annually. Flexibility exists within this process to allow for the introduction of any unplanned requirements that may emerge during the normal process of evaluation and innovation.

Capital bids are evaluated and prioritised and a full scheme appraisal is conducted. Once agreed at Director level the capital and revenue bids are submitted for MFRA consideration of affordability as part of the financial planning process.

3. [Transport Function](#)

The role of the transport function within MFRA is the provision and maintenance of vehicles and specialist equipment to meet user and stakeholder requirements which in turn, support MFRA policies and legislative requirements. Whilst doing this, the ongoing promotion of environmental sustainability at a competitive price must be considered.

The transport function provides support to all departments within MFRS in addition to supporting several external agencies, such as Liverpool City Council.

The transport function(s) main areas of responsibility are;

- The design and procurement of fleet vehicles,
- Fleet management,
- Fleet maintenance,
- Engineering and technical support,
- Vehicle disposal.

[The Design and Procurement of Fleet Vehicles](#) - specifications are drawn up by an in-house consultation with the proposed end users to ensure the final specification is fit for purpose. Research and development is carried out in house, a build is agreed and the subsequent procurement of necessary parts, materials or whole vehicles is carried out in conjunction with the Procurement Team within MFRS.

[Fleet management](#) - the management and upkeep of the MFRS vehicle fleet. This includes the management of;

- Vehicle Excise duty
- Registration and licensing
- Availability monitoring
- Incident investigation

Fleet maintenance - the repair and maintenance of vehicles and vehicle mounted equipment is undertaken by workshops within the Transport function. Specialist external contractors are engaged to deal with specialist repairs such as major RTC damage and specialist certification. The vast majority of repairs, maintenance, conversion or vehicle modification is carried out in house by qualified certificated staff.

Engineering and Technical Support – the transport function are available 24 hours a day, 365 days a year to offer technical support to all departments within MFRS. This support can be verbal advice over the phone or a physical attendance by a member of the team. A manager from the function will take the initial call and determine the most efficient response. The factors considered are primarily the hours the vehicle will spend unavailable as this may have a significant impact on the operational response. All requests to the function are dealt with within one hour of the initial call and a way forward is to be established within 2 hours. The function also provides availability for a mechanic to attend the operational fire ground to check on appliance use and conditions if deemed necessary by the Officer in Charge.

The on call transport manager will also advise on the locality and availability of spare appliances. This manager is also available to attend any incident which involves a MFRS vehicle. This may be for repair allocation, priority or security reasons.

Vehicle Disposal – the transport manager has responsibility for the disposal of fleet vehicles and there on board equipment at end of life. Several considerations must be taken into account prior to disposal, which are detailed below.

- The disposal of FRS vehicles can be done in several ways including the use of public and internal auctions for ancillary vehicles. Appliances may be sold to other end users such as other Local Authority Fire and Rescue Services, private Fire and Rescue Services or recognised training establishments.
- When a vehicle is identified as ready for disposal from the MFRS fleet, consideration is made on age, condition and potential value. The Transport Manager will then recommend whether the vehicle is used internally for scrap parts, sold or donated to an overseas charitable organisation.
- The disposal of appliances at end of life has recently come under intense scrutiny. Vehicles which are deemed ready to be disposed of are done so utilising recommendations laid down by the security agencies and by the NFCC Transport Officers Group.
- If the vehicle identified for disposal has a value, an SLT report will be provided and presented by the Director of Operational Preparedness for Governance.

4. Vehicle Asset Management

Asset management planning is the process used to plan for the acquisition, maintenance and disposal of renewable assets or activities in conjunction with NFCC Fire and Rescue Service best practice and the Driver and Vehicle Standards Agency (DVSA)) guidelines.

All vehicular assets are procured with a minimum of two years' warranty from the chassis manufacturer with an additional two-year warranty on the body and fittings

from the body builder/ contractor. Most light vehicles procured for the ancillary fleet come with a three-year warranty and carry a three-year roadside assistance package. Where possible the FRA endeavours to secure a three-year maintenance package as part of the contract thus providing a known cost over the assets first three years.

Specifications on new appliances and special vehicles are requested to be constructed of a composite body (Plastisol, /Polybody). This affords MFRA the option of a second life for the body following refurbishment.

The transport department provides the operational support to the MFRS vehicle fleet. This is for unplanned repairs or routine planned maintenance. The transport department has the responsibility of ensuring that the fleet is operated within Transport legislative and health and safety requirements. The support provided includes a reporting mechanism to respond to day to day unplanned repairs, notifiable defects, planned maintenance requests and advice.

This system provides for out of hours reporting and a full audit trail. All vehicle maintenance issues are documented electronically and in hard copy. The vehicle renewal frequency is established based on historical information however remains open to change due to operational and economic circumstances. The current fleet has evolved over the years and includes a range of vehicles of a mixed age. History has shown the risk of obsolescence is high with several types of vehicle making them too difficult to maintain due to a lack of available components. (Asset refresh timescales are detailed in Section 6).

The decision to replace vehicles is determined by several factors as detailed previously. For budgetary purpose for the purchase of appliances, it is beneficial to spread the replacement cost over a longer period of time by replacing in small manageable numbers. Historical evidence has shown that if the vehicles are procured in larger numbers then the capital replacement costs remain high at each replacement period. Replacing in small numbers also allows MFRS to keep pace with new technology and innovations in design and development within the FRS business model.

With regard to the smaller vehicles and the ancillary fleet, the factors guiding obsolescence and subsequent replacement are not subject to the same drivers. These vehicles tend to be less expensive than their operational counterparts and if replaced at regular pre-determined intervals provide a better residual value.

An additional factor supporting smaller batch replacement takes into consideration the maintenance programme; large batches of vehicles purchased at the same time, will require servicing and or testing within the same time frame providing avoidable capacity issues for workshops.

Organisational service integration - while the vehicle assets are the responsibility of the Transport department, several other departments within MFRS work in conjunction with the department to provide future planning, finance, governance and support.

5. [Vehicle Fleet](#)

The present vehicle fleet is split into seven categories for ease of identification,

- pumping appliances
- special appliances
- aerial appliances
- officer response vehicles
- blue light ancillary
- ancillary vehicles
- Lease cars
- grey fleet

Pumping appliances - Vehicles which comprise of a water storage tank and a fire fighting multi-pressure fire pump. These appliances are also designed as rescue pumps which carry specialist rescue and cutting equipment.

Pumping appliances are placed into 5 groups to manage the replacement programme, they are, Papa 1, Papa 2, Papa3, Reserve and Support.

Special appliances - Vehicles designed for specific or special functions such as demountable pods, water rescue, marine rescue, prime mover hook lifts and crane lorry.

Aerial appliances - Vehicles that have the capability of elevating a platform or ladder for high rise rescue or firefighting as a water tower.

Officer Response Vehicles - These are vehicles used by Flexi Duty officers to respond to incidents under blue light conditions. In most circumstances these are provided under lease arrangements (see paragraph 8 below)

Blue light ancillary- These vehicles are smaller operational response vehicles, such as water support unit, command support unit, small fire unit, out of area deployment vehicles.

Ancillary vehicles - Vehicles that are normally not used at operational incidents and are primarily used for other service delivery requirements, support services, detached duties, community risk management and general service transport. This fleet consists mainly of cars and vans.

Lease Cars –The majority of these cars are for Fire officers and used for response to emergence calls and personal use. Those other cars are used by various managers in the day to day use in their role within the authority. See Paragraph 8

Grey Fleet - Vehicles which are privately owned by employees and are used in connection with the employers business. These come in two categories:-Essential user and Casual user- Essential and Casual car user vehicles are privately owned and are for general business purposes – these are not used for emergency response.

The full current fleet distribution can be found at appendix 1, 2 and 3

Overview of Vehicle Types

Pumping Appliances

- 28 x Rescue Pumps
- 3 x Specialist Pumps (SRT)
- 8 x Reserve appliances,
- 8 x TDA appliances
- 1 x Youth Engagement

Special Appliances Operational

- 4 Aerial Appliances
- 7 x Prime Movers
- 17 x Demountable pods
- 1 x Crane Lorry
- 1 x LGV Driver Training Vehicle
- 18 x Officer Response Cars [4x4]
- 5 x Officer Response Cars [None 4x4]
- 1 x Rehab Unit
- 1 x Water Rescue Unit
- 1 x Out of Area Deployment
- 1 x Canine Unit Mercedes Vito
- 1 x HVP Support Van
- 1 x MF1 Boat
- 1 x MF1 Relief Boat
- 1 x Hovercraft

Ancillary Vehicles

- 23 x Station resilience cars
- 9 x PCV
- 24 x Vans
- 57 x Light Cars
- 1 x Occupational Health Mobile Unit
- 2 x Driver Training
- 1 x RTC Education Units
- 1 x JCB Tele Truck
- 1 x Forklift Truck
- 19 x Trailers

Officers Lease Cars

- 23 x Cars

Vehicles identified for disposal

- The following appliances will be for disposal once the new appliances arrive and training is completed. A number of these appliances for disposal will be held in storage till the outcome of Brexit.
- Pumps DGO2WFX, DG02WFY, DG02WFZ, DGO2WHK, DK54HZA, DK54HZA, DK54HZA, DK05HBC, DK05HBD, DK05HBE, DK05HBF.
- CPL's K474 OKB, R585DFM
- IRU and Moffot Mountie

National Resilience Vehicles

- 6 x Prime Movers
- 8 x PODS
- 1 x CBRNE DIM
- 1 x Toolcat

Reserve Fleet

The reserve fleet of pumping appliances are utilised for scheduled maintenance and non-scheduled repairs to the operational front line appliances. Currently, MFRA maintains its reserve fleet of pumping appliances at 25% - 4 to 1.

We have 4 fully kitted reserve appliances which are used for scheduled maintenance on the appliance and all its equipment, short term repairs and modifications programmes. This allows the downtime of the operational appliance availability to be kept to a minimum. MFRA have 3 un-kitted reserve appliances that are utilised for medium to long term unscheduled work.

This is to ensure suitable and sufficient operational resilience is available at all times.

If there is an increase or decrease in the number of operational pumping appliances this ratio should be maintained.

6. [Asset Refresh Programme](#)

The timescales for the MFRS vehicle asset refresh programme is as detailed below,

- Papa 1 Pumping Appliances will be replaced within 10 years. This will then enable MFRS to achieve a life for Papa 2 appliances no more than 12 years, Papa 3 appliances and Reserve appliance's no more than 14 years and Support appliance's no more than 15/16 years. This for the period 2019-2024. There is an increase of two appliances to the fleet this year, these have been allocated at the TDA for driving school instruction due to the predicted amount of recruitment over the next couple of years.
- Special Appliances will be replaced after 15 Years.
- Officers Response Cars to be replaced after 5 years
- Blue Light Ancillary Vehicles to be replaced after 10 years.
- Ancillary Vehicles to be replaced after 10 years.
- Demountable Pods to be replaced after 20 years

The timescales detailed above are accurate for front line use. It is anticipated that on occasion, vehicles may be kept past these dates but will not be used as part of the front line operational response.

Vehicle refresh for 2020/21

3 x Pumping Appliances

1 x SRT Appliance

Various Cars and Vans

A review of specialist appliances and demountable PODs has taken place (see SLT report dated Aug 2018) and the outcome will likely mean a replacement of the BA Support Unit with a new POD, the recommendations contained within the report will require modifications to some other PODS and therefore a reduction in quantity of PODs required.

There will also be a modification of an appliance to upgrade the existing MTFA Appliance.

Also in the above mentioned report a project is being undertaken to look at MFRA wildfire capability, once this is done a decision will be made either to just refresh the both wildfire vehicles we have like for like or upgrade to a higher specified vehicles.

7. Environmental considerations

Practical considerations to be introduced to improve the carbon footprint of MFRS. Several environmental initiatives are currently practiced by the transport and workshops functions, those being,

- The re-cutting, casing and recycling of tyres.
- The recycling of lead acid batteries.
- The environmental disposal of waste engine oil, filters and rags.
- The recycling of engine coolant.
- The Recycling of waste metal.
- The recycling of appliances at end of life.
- The recycling and collection of office waste.

All the above initiatives have been captured as part of the current MFRS Environmental Policy.

Vehicle Emissions - the Intergovernmental Panel on Climate Change (IPCC) has identified the following as potentially harmful gases:

- Carbon Monoxide (CO)
- Methane (CH₄)
- Nitrous Oxide (NO)

- Hydro Fluorocarbons (HFC's)
- Sulphur Hexafluoride (SF₆)

The largest global emissions by volume are of carbon dioxide which originates from the burning of fossil fuels including the combustion process that occurs in compression ignition or spark ignition motor vehicle engines.

MFRA have been proactive by continuing to purchase vehicles with the latest technology along with compliance with the government guide lines on exhaust emissions.

All vehicles registered after 1st January 2015 within the MFRA fleet must meet Euro 6 emission standards. The appliances purchased over the last financial year by the FRA have an integrated Euro 6 silencer which contains a full-flow particulate filter which features continuous regeneration and two parallel SCR catalysts with a unique high-precision AdBlu dosage system.

The recent replacement of the smaller ancillary vehicles has resulted in a large drop in emissions due the procurement of new vehicles with smaller and more fuel efficient engines.

New Government Emission Targets.

In 2017 the government set new targets on vehicle emissions for vehicle manufacturer's and transport operators to achieve.

Their main aim is to reduce the amount of Nitrogen Dioxide produced by vehicle emissions and totally remove the use of petrol and diesel engine powered vehicles by 2040. In short, to move to using electric powered vehicles.

Although the technology is there within the industry it is mainly at this time used in small cars and vans. Technology to advance the duration and life of batteries and the performance of vehicles is improving all the time.

Therefore the authority needs to be mindful that investment is required to achieve the targets to be met, this investment will have to be in the vehicle capital refresh programme budget for its ancillary fleet of cars and vans, and the estates department for the phased implementation of the necessary infrastructure and facilities to charge vehicles at locations across the MFRA estate.

The Transport Manager is to undertake a study with other FRS Transport Managers/Fleet Engineers, the Energy Saving Trust and government departments to determine the best route for MFRS to take to achieve these government targets, looking at:-

- Types of available vehicles and their capabilities
- Price of vehicles, whether to purchase or lease
- Maintenance costs
- Running costs

- Charging facilities and infrastructure
- Government incentives and initiatives
- The transport manager is to consult with the estates manager for the future introduction of electric vehicle charging infrastructure at MFRA sites to coincide with the vehicle fleet refresh programme.

C.A.F.S (Compressed Air Foam System)

CAFS, which is utilised to enhance the MFRA firefighting capability has been introduced onto the current fire appliance fleet. This system uses a foam/water/air mixture to produce a firefighting media that drastically reduces the water consumption used during normal firefighting activities. This reduction in water also has the result of reducing the “Runoff” which is an environmental pollutant. Run off consists of the residual water utilised during firefighting operations which enters into the drainage, sewer system or natural water courses.

8. Vehicle Lease Arrangements

MFRS operates two types of vehicle leasing.

- Senior Officer Vehicles - this scheme allows uniformed senior officers to lease a car for business and private use. The lease period is over four years and the vehicle is inspected prior to return to the lease company and any damage or excess mileage must be paid for.
- Fleet vehicles (Appliances & Ancillary vehicles) - over the years several fleet vehicles such as appliances and ancillary vehicles (cars & vans) have been procured through an operating lease scheme, this has proved to be expensive compared with outright purchase. Cars and vans procured by outright purchase have proven to be the best value option. Vehicles are purchased through the government framework agreement (Devon and Somerset Fire and Rescue) and are kept for a minimum of 5 years, after which the vehicles are disposed of through public auction or closed bids from within the Service. This has produces a good resale value and the whole life cost of those vehicles is below that of any lease or long term hire agreement.
- Fire appliances - have on occasion been procured under an operating lease scheme; this has proven to be an expensive option due to the expectations of the lease company as to their condition on return. Experience has shown that following inspection by the FTA certain repairs, tyre wear and paint conditions have all required renovation at considerable cost. This type of scheme also inhibits the Service in extending the life of the appliance should they wish to do so and under the terms and conditions of an operating lease you cannot purchase the appliance from the lease company.

9. Spot Hire

To maintain a fleet of ancillary vehicles that meet the needs of MFRA at all times is both impractical and expensive. There are times when there is a demand for vehicles which exceeds the current fleet size. The most cost effective method to provide resources during this period is to “Spot Hire”. This involves hiring a vehicle for a short period at short notice. Having engaged with several vehicle hire

companies MFRS has three primary vehicle hire companies which provide a low hire rate. The agreement also ensures that the vehicles are delivered and collected to service premises.

10. [Whole Life Costs](#)

The whole life vehicle cost information can be found within the Fleet Management system (Tranman). This capture all costs for servicing and repairs which includes labour, parts, traffic accident damage, insurance, tyres and fuel.

At present MFRS are in the process of replacing/updating fuel pumps at their premises. These systems will then allow all fuel usage to be up-loaded into the fleet management system to then be included in the vehicles whole life cost.

11. [Benchmarking](#)

Benchmarking is carried out routinely within the Northwest Transport Officers Group of which the MFRA Transport Manager is a standing member. This comprises of key performance indicators on servicing, non-scheduled work, modifications, Traffic Accident damage, whole life costs and research and development within the industry.

12. [Link to Business Continuity Plans](#)

MFRA has a Business continuity plan, this plan is tested periodically throughout the year using different scenario. [Please see link to Business Continuity plans - Transport 2019](#)

As part of our BCP we also have an agreement with our colleagues in the Northwest Fire and Rescue services for assistance if they have the availability at the required times.

13. [Internal Audit](#)

Liverpool City Council are commissioned for governance purpose to provide annual audit for MFRA. During this process the Transport department are challenged on various sections of the work they carry out during the year. This usually consist of ensuring process's which are part of MFRA policies and procedures and regulations relating to the transport department are adhered to.

If there are any short comings in these process's, then the auditor will make recommendations to remedy them in the final report.

Appendix 1

MFRS FLEET

Fleet No.	Reg No.	Call Sign	Vehicle Class	Make	Operator	Department
PAPA 1						
1395	DK19BFF	M52P1	APPLIANCE-CAFs	SCANIA	ECCLESTON	ECCLESTON
1396	DK19BFJ	M20P1	APPLIANCE-CAFs	SCANIA	BIRKENHEAD	BIRKENHEAD
1397	DK19BFL	M30P1	APPLIANCE-CAFs	SCANIA	BOOTLE AND NETHERTON	BOOTLE AND NETHERTON
1398	DK19BFM	M42P1	APPLIANCE-CAFs	SCANIA	KIRKBY	KIRKBY
1399	DK19BFN	M18P1	APPLIANCE-CAFs	SCANIA	AINTREE	AINTREE
1389	DK67AAE	M11P1	APPLIANCE-CAFs	SCANIA	CITY CENTRE	CITY CENTRE
1390	DK67AAF	M33P1	APPLIANCE-CAFs	SCANIA	SOUTHPORT	SOUTHPORT
1391	DK67AAJ	M19P1	APPLIANCE-CAFs	SCANIA	CROXTETH	CROXTETH
1392	DK67AAN	M25P1	APPLIANCE-CAFs	SCANIA	WALLASEY	WALLASEY
1384	DK15CYV	M43P1	APPLIANCE-CAFs	SCANIA	PRESCOT	PRESCOT
1385	DK15CYW	M26P1	APPLIANCE-CAFs	SCANIA	SAUGHALL MASSIE	SAUGHALL MASSIE
1386	DK15CYX	M21P1	APPLIANCE-CAFs	SCANIA	BROMBOROUGH	BROMBOROUGH
1366	DK59BPF	M17P1	APPLIANCE-CAFs	SCANIA	BELLE VALE	BELLE VALE
1367	DK59BPO	M22P1	APPLIANCE-CAFs	SCANIA	HESWALL	HESWALL
1368	DK59BPU	M31P1	APPLIANCE-CAFs	SCANIA	CROSBY	CROSBY
1373	DK60DVM	M12P1	APPLIANCE-CAFs	SCANIA	KENSINGTON	KENSINGTON
1374	DK60DVN	M10P1	APPLIANCE-CAFs	SCANIA	KIRKDALE	KIRKDALE
1375	DK60DVO	M50P1	APPLIANCE-CAFs	SCANIA	ST HELENS	ST HELENS
1376	DK60DVP	M14P1	APPLIANCE-CAFs	SCANIA	SPEKE/GARSTON	SPEKE/GARSTON
1378	DK61EER	M16P1	APPLIANCE-CAFs	SCANIA	OLD SWAN	OLD SWAN
1379	DK61EES	M51P1	APPLIANCE-CAFs	SCANIA	NEWTON LE WILLOWS	NEWTON-LE-WILLOWS
1380	DK61EET	M15P1	APPLIANCE-CAFs	SCANIA	TOXTETH	TOXTETH
1381	DK61EEU	M32P1	APPLIANCE-CAFs	SCANIA	FORMBY	FORMBY

PAPA 2						
1362	DK59BOJ		APPLIANCE-CAFs	SCANIA	CITY CENTRE	CITY CENTRE
1363	DK59BOU		APPLIANCE-CAFs	SCANIA	SOUTHPORT	SOUTHPORT
1364	DK59BOV		APPLIANCE-CAFs	SCANIA	BIRKENHEAD	BIRKENHEAD

PAPA 3						
1342	DK05HBE		APPLIANCE	SCANIA	WALLASEY	WALLASEY
1344	DK05HBO		APPLIANCE	SCANIA	CITY CENTRE	CITY CENTRE

SPECIALS						
2538	DK56JXF	M10S2	BLUE LIGHT ANCILLARY	FORD	KIRKDALE	KIRKDALE

2543	DK56JXM	M19R3	BLUE LIGHT ANCILLARY	MERCEDES	CROXTETH	WATER RESCUE SRT
1369	DK59BPV	M19R2	APPLIANCE	SCANIA	CROXTETH	CROXTETH
1335	PN04KTF	M19R6	SUPPORT APPLIANCE	SCANIA	CROXTETH	CROXTETH
1351	DK07JWC	M71T1	CRANE LORRY	SCANIA	SHQ	SHQ
1377	DK60DVR	M19R4	SUPPORT APPLIANCE	MAN	CROXTETH	CROXTETH
2586	DK11BWW	M15C1	BLUE LIGHT ANCILLARY	MERCEDES	TOXTETH	TOXTETH
2596	DK64EEB	M19R	BLUE LIGHT ANCILLARY	MERCEDES	CROXTETH	WATER SUPPORT
2598	DK64EEG	M32L1	BLUE LIGHT ANCILLARY	ISUZU	FORMBY	FORMBY
2599	DK64EEH	N/A	BLUE LIGHT ANCILLARY	ISUZU	T&DA	WATER TRAINING
2607	DK64FCO	M22L1	BLUE LIGHT ANCILLARY	ISUZU	HESWALL	HESWALL
2608	DK64FCP	M19R9	BLUE LIGHT ANCILLARY	MERCEDES	CROXTETH	USAR

AERIALS

1371	DK59BTU	M33A1	AERIAL APPLIANCE	VOLVO	SOUTHPORT	SOUTHPORT
1372	DK60DVJ	M25A1	AERIAL APPLIANCE	VOLVO	WALLASEY	WALLASEY
1393	DK68DAA	M10A1	AERIAL APPLIANCE	VOLVO	KIRKDALE	KIRKDALE
1394	DK68DAO	M50A1	AERIAL APPLIANCE	VOLVO	ST HELENS	ST HELENS

PRIME MOVERS

1359	DK08GJJ	M19T1	PRIME MOVER	SCANIA	CROXTETH	CROXTETH
1360	DK08GJO	M19T2	PRIME MOVER	SCANIA	CROXTETH	CROXTETH
1382	DK62EEA	M10T1	PRIME MOVER	SCANIA	KIRKDALE	KIRKDALE
1383	DK62EEF	M10T2	PRIME MOVER	SCANIA	KIRKDALE	KIRKDALE
1387	DK66CEX	M19T3	PRIME MOVER	SCANIA	KIRKDALE	KIRKDALE
1388	DK66CEY	M10T3	PRIME MOVER	SCANIA	CROXTETH	CROXTETH

RESERVE

1365	DK59BPE		APPLIANCE	SCANIA	VESTY UNIT 1	VESTY 1
1352	DK57FKU		RESERVE APPLIANCE	SCANIA	VESTY UNIT 1	VESTY 1
1353	DK57FKV		APPLIANCE	SCANIA	VESTY UNIT 1	VESTY 1
1357	DK57FLA		RESERVE APPLIANCE	SCANIA	VESTY UNIT 1	VESTY 1
1341	DK05HBD		RESERVE APPLIANCE	SCANIA	VESTY UNIT 1	This is held for M50P3
1349	DK55HND		RESERVE APPLIANCE	SCANIA	SHQ	SHQ
1355	DK57FKX		APPLIANCE	SCANIA	SHQ	SHQ
1356	DK57FKZ		APPLIANCE	SCANIA	SHQ	SHQ

MARINE

6013	6013		BOATS AND HOVERCRAFT	GRIFFON	CROXTETH	CROXTETH
6019	6019		ATLANTIC 75	ATLANTIC	MARINE FIRE	PIER HEAD
6020	6020		ATLANTIC 75	ATLANTIC	MARINE FIRE	PIER HEAD

TRAINING ACADEMY

1400	DK19BFO		APPLIANCE-NEW	SCANIA	T&DA	DRIVING SCHOOL
1346	DK55HNA		RESERVE APPLIANCE	SCANIA	T&DA	DRIVING SCHOOL
1347	DK55HNB		SUPPORT APPLIANCE	SCANIA	T&DA	DRIVING SCHOOL
1340	DK05HBC		SUPPORT APPLIANCE	SCANIA	T&DA	DRIVING SCHOOL

1350	DK07JVZ		SUPPORT APPLIANCE	MAN	T&DA	DRIVING SCHOOL
1345	DK05HBP		RESERVE APPLIANCE	SCANIA	T&DA	COMMERCIAL TRG
1348	DK55HNC		SUPPORT APPLIANCE	SCANIA	T&DA	FIRE TRAINING
1354	DK57FKW		SUPPORT APPLIANCE	SCANIA	T&DA	FIRE TRAINING
1370	DK59BRV		SUPPORT APPLIANCE	MERCEDES	KIRKDALE	YE PRINCES TRUST
2641	DK67AAU		BLUE LIGHT ANCILLARY	SKODA	T&DA	DRIVING SCHOOL
2558	DK58HNH		BLUE LIGHT ANCILLARY	TOYOTA	T&DA	DRIVING SCHOOL
1361	DK08GJX		SUPPORT APPLIANCE	MAN	SHQ	TRANSPORT

OFFICER RESPONSE CARS						
2587	DK11BWX		BLUE LIGHT ANCILLARY	VAUXHALL	VESTY UNIT 1	WORKSHOPS
2636	KW17WJF		BLUE LIGHT ANCILLARY	VAUXHALL	SHQ	OPS RESPONSE
2637	KW17WJG		BLUE LIGHT ANCILLARY	VAUXHALL	SHQ	OPS RESPONSE
2593	DK13DDF		BLUE LIGHT ANCILLARY	VAUXHALL	SHQ	OPS RESPONSE
2594	DK13DDJ		BLUE LIGHT ANCILLARY	VAUXHALL	SHQ	OPS RESPONSE
2597	DK64EEF		BLUE LIGHT ANCILLARY	ISUZU	SHQ	OPS RESPONSE
2600	DK64EEJ		BLUE LIGHT ANCILLARY	ISUZU	SHQ	OPS RESPONSE
2601	DK64EEM		BLUE LIGHT ANCILLARY	ISUZU	SHQ	OPS RESPONSE
2602	DK64EEN		BLUE LIGHT ANCILLARY	ISUZU	VESTY UNIT 1	OPS RESPONSE
2603	DK64EEO		BLUE LIGHT ANCILLARY	ISUZU	SHQ	IIT
2604	DK64EEP		BLUE LIGHT ANCILLARY	ISUZU	SHQ	IIT
2605	DK64FCM		BLUE LIGHT ANCILLARY	ISUZU	SHQ	IIT
2606	DK64FCN		BLUE LIGHT ANCILLARY	ISUZU	SHQ	OPS RESPONSE
2640	DK67AAO		BLUE LIGHT ANCILLARY	SKODA	SHQ	OPS RESPONSE
2642	DK67AAV		BLUE LIGHT ANCILLARY	SKODA	SHQ	OPS RESPONSE
2643	DK67AAX		BLUE LIGHT ANCILLARY	SKODA	SHQ	OPS RESPONSE
2648	DK18CYL		BLUE LIGHT ANCILLARY	SKODA	SHQ	OPS RESPONSE
2649	DK18CYO		BLUE LIGHT ANCILLARY	SKODA	SHQ	OPS RESPONSE
2650	DK18CYP		BLUE LIGHT ANCILLARY	SKODA	SHQ	OPS RESPONSE
2651	DK18CYS		BLUE LIGHT ANCILLARY	SKODA	SHQ	OPS RESPONSE
2652	DK18CYT		BLUE LIGHT ANCILLARY	SKODA	SHQ	OPS RESPONSE
2653	DK18CYU		BLUE LIGHT ANCILLARY	SKODA	SHQ	OPS RESPONSE
2654	DK18CYV		BLUE LIGHT ANCILLARY	SKODA	SHQ	OPS RESPONSE

STATION RESILLIANCE VEHICLES						
2475	DK54HYR		CARS AND SMALL VANS	FORD	KIRKDALE	RESILLIENCE
2468	PN04KTE		CARS AND SMALL VANS	FORD	OLD SWAN	RESILLIENCE
2496	DA54YXB		CARS AND SMALL VANS	RENAULT	KIRKBY	RESILLIENCE
2511	DK05HBG		CARS AND SMALL VANS	FORD	BOOTLE AND NETHERTON	RESILLIENCE
2512	DK05HBH		CARS AND SMALL VANS	FORD	BELLE VALE	RESILLIENCE
2514	DK05HBL		CARS AND SMALL VANS	RENAULT	BROMBOROUGH	RESILLIENCE
2520	DK05RCU		CARS AND SMALL VANS	RENAULT	BIRKENHEAD	RESILLIENCE
2521	DK05RCV		CARS AND SMALL VANS	RENAULT	NEWTON LE WILLOWS	RESILLIENCE
2531	DK06HZV		CARS AND SMALL VANS	SKODA	PRESCOT	RESILLIENCE
2534	DK06HZY		CARS AND SMALL VANS	SKODA	FORMBY	RESILLIENCE
2535	DK06HZZ		CARS AND SMALL VANS	SKODA	HESWALL	RESILLIENCE

2536	DK06JAO		CARS AND SMALL VANS	SKODA	WALLASEY	RESILLIENCE
2548	DK08GHU		CARS AND SMALL VANS	FORD	KENSINGTON	RESILLIENCE
2552	DK08GHZ		CARS AND SMALL VANS	FORD	TOXTETH	RESILLIENCE
2537	DK56JXE		CARS AND SMALL VANS	MERCEDES	BELLE VALE	RESILLIENCE
2539	DK56JXG		CARS AND SMALL VANS	MINI	ST HELENS	RESILLIENCE
2557	DK58HNG		CARS AND SMALL VANS	TOYOTA	SOUTHPORT	RESILLIENCE
2566	DK59BPZ		CARS AND SMALL VANS	FORD	AINTREE	RESILLIENCE
2567	DK59BRF		CARS AND SMALL VANS	FORD	ECCLESTON	RESILLIENCE
2569	DK59BSO		CARS AND SMALL VANS	VAUXHALL	SAUGHALL MASSIE	RESILLIENCE
2574	DK59BSZ		CARS AND SMALL VANS	VAUXHALL	CITY CENTRE	RESILLIENCE
2590	DK11BXA		CARS AND SMALL VANS	ISUZU	CROSBY	RESILLIENCE
2585	DK60DVL		CARS AND SMALL VANS	ISUZU	SPEKE/GARSTON	RESILLIENCE

CARS						
2505	DA54YXJ		CARS AND SMALL VANS	RENAULT	BELLE VALE	PROT LPOOL S
2506	DA54YXK		CARS AND SMALL VANS	RENAULT	SHQ	FFC
2516	DK05RBY		CARS AND SMALL VANS	RENAULT	CITY CENTRE	PROT LPOOL N
2523	DK05RCY		CARS AND SMALL VANS	RENAULT	SHQ	PROT P&B REGS
2532	DK06HZW		CARS AND SMALL VANS	SKODA	BELLE VALE	PROT LPOOL S
2533	DK06HZX		CARS AND SMALL VANS	SKODA	ST HELENS	ARSON TEAM
2546	DK08GHN		CARS AND SMALL VANS	FORD	PRESCOT	PREV ST HELENS & KNOWSLEY
2547	DK08GHO		CARS AND SMALL VANS	FORD	BELLE VALE	PROT LPOOL S
2549	DK08GHV		CARS AND SMALL VANS	FORD	SHQ	H&S DEPT
2550	DK08GHX		CARS AND SMALL VANS	FORD	SHQ	STRATEGIC PLANNING
2551	DK08GHY		CARS AND SMALL VANS	FORD	SHQ	CS ADMIN
2553	DK08GJE		CARS AND SMALL VANS	FORD	SHQ	OPS PLANNING
2545	DK08GJG		CARS AND SMALL VANS	SKODA	VESTY UNIT 1	POOL VEHICLE
2588	DK11BWY		CARS AND SMALL VANS	FORD	VESTY UNIT 1	POOL VEHICLE SHQ
2589	DK11BWZ		CARS AND SMALL VANS	FORD	VESTY UNIT 1	POOL VEHICLE SHQ
2655	DK18CYW		CARS AND SMALL VANS	SKODA	SHQ	HOME SAFETY ADVISOR
2540	DK56JXH		CARS AND SMALL VANS	SKODA	BOOTLE AND NETHERTON	PREV SEFTON
2560	DK58HNL		CARS AND SMALL VANS	VAUXHALL	BELLE VALE	PREV LPOOL S
2561	DK58HNM		CARS AND SMALL VANS	VAUXHALL	SHQ	PROT LPOOL N
2562	DK58HNN		CARS AND SMALL VANS	VAUXHALL	BOOTLE AND NETHERTON	PROT SEFTON
2563	DK58MWU		CARS AND SMALL VANS	VAUXHALL	KIRKDALE	ARSON TEAM
2564	DK58MWV		CARS AND SMALL VANS	VAUXHALL	SHQ	PROT P&B REGS
2565	DK58MWW		CARS AND SMALL VANS	VAUXHALL	WALLASEY	PROT WIRRAL
2568	DK59BRZ		CARS AND SMALL VANS	VAUXHALL	PRESCOT	PREV ST HELENS & KNOWSLEY
2570	DK59BSU		CARS AND SMALL VANS	VAUXHALL	ST HELENS	PROT ST HELENS
2571	DK59BSV		CARS AND SMALL VANS	VAUXHALL	BELLE VALE	PREV LPOOL S
2572	DK59BSX		CARS AND SMALL VANS	VAUXHALL	TOXTETH	ARSON TEAM
2573	DK59BSY		CARS AND SMALL VANS	VAUXHALL	T&DA	DRIVING SCHOOL
2575	DK59BTE		CARS AND SMALL VANS	VAUXHALL	WALLASEY	PREV WIRRAL

2576	DK59BTF		CARS AND SMALL VANS	VAUXHALL	CITY CENTRE	PROT LPOOL N
2577	DK59BTO		CARS AND SMALL VANS	VAUXHALL	BOOTLE AND NETHERTON	PROT SEFTON
2618	DK65CAO		CARS AND SMALL VANS	HYUNDAI	PRESCOT	PREV ST HELENS & KNOWSLEY
2616	DK65CAA		POOL VEHICLES	HYUNDAI	VESTY UNIT 1	POOL VEHICLE
2617	DK65CAE		POOL VEHICLES	HYUNDAI	VESTY UNIT 1	POOL VEHICLE
2619	DK65CAU		CARS AND SMALL VANS	HYUNDAI	SHQ	HOME SAFTEY ADVISOR
2620	DK65CAV		CARS AND SMALL VANS	HYUNDAI	PRESCOT	PREV ST HELENS & KNOWSLEY
2621	DK65CAX		CARS AND SMALL VANS	HYUNDAI	BOOTLE AND NETHERTON	PREV SEFTON
2622	DK65CBF		CARS AND SMALL VANS	HYUNDAI	SHQ	OPS PLANNING
2623	DK65CBO		CARS AND SMALL VANS	HYUNDAI	ST HELENS	PROT ST HELENS & KNOWSLEY
2624	DK65CBU		CARS AND SMALL VANS	HYUNDAI	BOOTLE AND NETHERTON	ARSON TEAM
2625	DK65CBV		CARS AND SMALL VANS	HYUNDAI	WALLASEY	PREV WIRRAL
2626	DK65CBX		CARS AND SMALL VANS	HYUNDAI	SHQ	YE PRINCES TRUST
2627	DK65CBY		CARS AND SMALL VANS	HYUNDAI	SHQ	ESTATES DEPT
2628	DK65CCA		CARS AND SMALL VANS	HYUNDAI	SHQ	PROT P&B REGS
2629	DK65CCD		CARS AND SMALL VANS	HYUNDAI	BOOTLE AND NETHERTON	PREV SEFTON
2630	DK65CCE		CARS AND SMALL VANS	HYUNDAI	SHQ	OPS PLANNING
2631	DK65CCF		CARS AND SMALL VANS	HYUNDAI	BELLE VALE	PREV LPOOL S
2632	DK65CCJ		CARS AND SMALL VANS	HYUNDAI	SHQ	YE PRINCES TRUST
2633	DK65CCN		CARS AND SMALL VANS	HYUNDAI	WALLASEY	PROT WIRRAL
2634	DK65CCO		CARS AND SMALL VANS	HYUNDAI	BELLE VALE	PROT LPOOL S
2635	DK65CCU		CARS AND SMALL VANS	HYUNDAI	BOOTLE AND NETHERTON	PROT SEFTON
2656	DK18CYX		CARS AND SMALL VANS	SKODA	KIRKBY	ARSON TEAM
2657	DK18CYY		CARS AND SMALL VANS	SKODA	BOOTLE AND NETHERTON	PREV SEFTON
2658	DK18CYZ		CARS AND SMALL VANS	SKODA	PRESCOT	PREV ST HELENS & KNOWSLEY
2659	DK18CZA		CARS AND SMALL VANS	SKODA	WALLASEY	PREV WIRRAL
2660	DK18CZB		CARS AND SMALL VANS	SKODA	WALLASEY	ARSON TEAM
2662	DK19BEU		POOL VEHICLES	FORD	VESTY UNIT 1	POOL VEHICLE
2663	DK19BEY		POOL VEHICLES	FORD	VESTY UNIT 1	POOL VEHICLE
2665	DK19BFE		POOL VEHICLES	FORD	VESTY UNIT 1	POOL VEHICLE

PCV						
2474	DK54HYP		PCV	FORD	PRESCOT	YE PRINCES TRUST
2503	DK54HZT		PCV	FORD	BROMBOROUGH	YE PRINCES TRUST
2515	DK05HBN		PCV	RENAULT	TOXTETH	YE PRINCES TRUST
2544	DK07JWA		POOL VEHICLES	FORD	VESTY UNIT 1	POOL VEHICLE
2591	DK13DDA		PCV	FORD	T+DA	YE PRINCES TRUST
2592	DK13DDE		PCV	FORD	BOOTLE AND NETHERTON	YE PRINCES TRUST
2615	DK15CYY		BLUE LIGHT ANCILLARY	FORD	CROXTETH	CROXTETH
2666	DK19BFP		PCV	VAUXHALL	T&DA	T&DA
2667	DK19BFU		POOL VEHICLES	VAUXHALL	VESTY UNIT 1	SHQ

VANS						
2476	DK54HYT		CARS AND SMALL VANS	FORD	VESTY UNIT 1	OPS EQUIP
2479	DK54HYV		CARS AND SMALL VANS	FORD	VESTY UNIT 1	OPS EQUIP
2480	DK54HYW		CARS AND SMALL VANS	FORD	VESTY UNIT 1	WORKSHOPS
2481	DK54HYX		CARS AND SMALL VANS	FORD	SHQ	YE PRINCES TRUST
2555	DK08GJV		WORKSHOPS AND GALAXY	FORD	VESTY UNIT 1	POOL VEHICLE
2580	DK59BRX		CARS AND SMALL VANS	FIAT	SHQ	OCCUPATIONAL HEALTH
2578	DK59BPX		WORKSHOPS AND GALAXY	FORD	VESTY UNIT 1	WORKSHOPS
2579	DK59BPY		WORKSHOPS AND GALAXY	FORD	VESTY UNIT 1	WORKSHOPS
2582	DK60DVF		CARS AND SMALL VANS	ISUZU	SHQ	FIREFIT
2609	DK15CYL		COURIORS	FORD	VESTY UNIT 1	STORES
2610	DK15CYO		COURIORS	FORD	VESTY UNIT 1	STORES
2611	DK15CYP		COURIORS	FORD	VESTY UNIT 1	STORES
2612	DK15CYS		WORKSHOPS AND GALAXY	FORD	VESTY UNIT 1	WORKSHOPS
2613	DK15CYT		WORKSHOPS AND GALAXY	FORD	VESTY UNIT 1	WORKSHOPS
2614	DK15CYU		WORKSHOPS AND GALAXY	FORD	VESTY UNIT 1	WORKSHOPS
2638	DK17ASO		WORKSHOPS AND GALAXY	FORD	SHQ	HYDRANT TECH
2639	DK17ASU		WORKSHOPS AND GALAXY	FORD	SHQ	HYDRANT TECH
2644	DK67AAY		COURIORS	FORD	VESTY UNIT 1	STORES
2645	DK67AAZ		CARS AND SMALL VANS	FORD	VESTY UNIT 1	OPS EQUIP
2646	DK67ABF		CARS AND SMALL VANS	FORD	T&DA	IND TRAINING
2647	DK67ABN		CARS AND SMALL VANS	FORD	CROXTETH	T&DA
2664	DK19BFA		BLUE LIGHT ANCILLARY	FORD	VESTY UNIT 1	VESTY UNIT 1

PLANT						
6014	6014	N/A	WORKSHOP PLANT	TOYOTA	VESTY UNIT 1	WORKSHOPS
6017	XHP217X	N/A	WORKSHOP PLANT	FLOAT	T&DA	T&DA
6018	MM15WHA	N/A	WORKSHOP PLANT	JCB	T&DA	DRIVING SCHOOL

OFFICER LEASE CARS						
SC29	BD68BCO		OFFICERS CARS	FORD	SHQ	
SC32	BF19AFA		OFFICERS CARS	LAND ROVER	SHQ	
SC30	BV19XJH		OFFICERS CARS	LAND ROVER	SHQ	
SC31	BV19XJO		OFFICERS CARS	LAND ROVER	SHQ	
SC26	DC18UWL		OFFICERS CARS	AUDI	SHQ	
SC20	DG66LNE		OFFICERS CARS	LAND ROVER	SHQ	
SC24	DK67ZRL		OFFICERS CARS	AUDI	SHQ	
SC3	DT65BNK		OFFICERS CARS	NISSAN	SHQ	
SC16	DX17OJR		OFFICERS CARS	VAUXHALL	SHQ	
SC28	FT68BHX		OFFICERS CARS	MERCEDES	SHQ	
SC36	LD69PZX		OFFICERS CARS	BMW	SHQ	
SC34	LE19NJX		OFFICERS CARS	BMW	SHQ	

SC35	LE19SDU		OFFICERS CARS	BMW	SHQ	
PO05	LG17NKZ		OFFICERS CARS	BMW	SHQ	
SC27	MV68EES		OFFICERS CARS	BMW	SHQ	
SC25	OE18OZJ		OFFICERS CARS	MERCEDES	SHQ	
SC33	OW19EUZ		OFFICERS CARS	JAGUAR	SHQ	
PE16YDJ	PE16YDJ		OFFICERS CARS	RANGE ROVER	SHQ	
SC21	PF66ZWJ		OFFICERS CARS	LAND ROVER	SHQ	
SC10	YL16ZCX		OFFICERS CARS	MAZDA	SHQ	
PO06	YO19DVB		OFFICERS CARS	VOLVO	SHQ	
SC13	YP16JZH		OFFICERS CARS	HYUNDAI	SHQ	
SC8	YP16TLY		OFFICERS CARS	HYUNDAI	SHQ	
PO07	YR19AFC		OFFICERS CARS	VOLVO	SHQ	

Appendix 2 MFRS Demountable PODs

Reg No.	Model/Trim Description	Operator	Department
5002	SPECIAL RESCUE UNIT	CROXTETH	CROXTETH
5003	ENVIRONMENTAL/HAZMAT UNIT	KIRKDALE	KIRKDALE
5004	BA SUPPORT UNIT	KIRKDALE	KIRKDALE
5005	OPS LOGISTIC UNIT	CROXTETH	CROXTETH
5007	DAMAGE CONTROL UNIT	KIRKDALE	KIRKDALE
5009	MARINE & TUNNEL F/F UNIT	KIRKDALE	KIRKDALE
5010	HOVERCRAFT CARRIER POD	CROXTETH	CROXTETH
5015	BA TRAINING UNIT	T+DA	T&DA
5016	WELFARE UNIT [TEMP]	KIRKDALE	KIRKDALE
5017	FOAM UNIT	SPEKE/GARSTON	SPEKE/GARSTON
5018	FOAM UNIT	KIRKDALE	KIRKDALE
5019	FIRE FIT UNIT	SHQ	SHQ
5020	FOAM UNIT	KIRKDALE	KIRKDALE
5024	LPP UNIT	KIRKDALE	KIRKDALE
5029	GPU/JCB POD	SHQ	SHQ
5031	INCIDENT COMMAND UNIT	KIRKDALE	KIRKDALE
5046	HOSE LAYER/RECOVERY UNIT	KIRKDALE	KIRKDALE

Appendix 3 NATIONAL RESILIENCE VEHICLES and PODs

Reg No.	Model	Operator	Fleet No.
MX56NHO	DAILY	KIRKDALE	DIM
WX54VLA	Prime Mover	BELLE VALE	PM013
WX54VSU	Prime Mover	CROXTETH	PM0154
WX54VMZ	Prime Mover	BELLE VALE	PM072
WX54VPE	Prime Mover	CROXTETH	PM113
WX54VPF	Prime Mover	CROXTETH	PM114
WX54VTL	Prime Mover	KIRKDALE	PM189
EU56GJF	Toolcat	CROXTETH	TOOLCAT
USAR2	Module	CROXTETH	10

USAR4	Module	CROXTETH	11
USAR5	Module	CROXTETH	3
USAR3	Module	CROXTETH	4
USAR1	Module	CROXTETH	7
DC13	Module	BELLE VALE	DC13
DC72	Module	BELLE VALE	DC72
MDD025	Module	KIRKDALE	MDD025

Vehicles - Proposed Budget 2019/20 to 2024/25

Type of Capital Expenditure	Price Per Unit	Total		2019/20		2020/21		2021/22		2022/23		2023/24		2024/25	
		Units	Cost £	Units	£	Units	£	Units	£	Units	£	Units	£	Units	£
VEH002 Ancillary Vehicles															
Cars															
Pool Cars - Diesel	11,400	27	307,800			18	205,200	9	102,600						
Pool Cars - Electric?	18,000	20	360,000											20	360,000
Officer Response Cars- Vauxhall Insignia	22,650	8	181,200	2	45,300					6	135,900				
Officer Response Cars- Octavia 4x4 Estate	20,857	7	146,000									7	146,000		
7 Seater Galaxy	24,000	2	48,000	2	48,000										
Automatic	25,000	1	25,000	1	25,000										
4x4s															
Izusu/Hilux	27,000	8	216,000	8	216,000										
Climbing Wall Vehicle	25,500	1	25,500	1	25,500										
Vans															
Master/Transit Panel 1	22,250	4	89,000			4	89,000								
Master/Transit Panel 2	25,800	6	154,800			3	77,400			3	77,400				
Master/Transit Panel 3	23,500	1	23,500											1	23,500
Jumbo Panel Van	25,000	1	25,000	1	25,000										
Ford Connect	11,500	2	23,000	1	11,500	1	11,500								
Dog Van Mercedes Vito	49,750	1	49,750			1	49,750								
Mini Buses															
Fire Service	24,600	2	49,200	2	49,200										
Princes Trust	24,600	4	98,400			4	98,400								
			1,822,150		445,500		531,250		102,600		213,300		146,000		383,500
VEH004 Special Vehicles															
CPL - Aerial Appliance	730,000	2	1,535,000		75,000					2	1,460,000				
Prime Movers 3	156,050	3	468,150			1	156,050					2	312,100		
IMU	650,000	1	650,000			1	650,000								
BA Support Unit (POD)	125,000	2	250,000			2	250,000								
Refurbish of PODs - Bulk Foam Unit			24,000							24,000					
Refurbish of PODs - General Purpose Unit			12,000				12,000								
Mercedes IMU	105,000	1	105,000					1	105,000						
Curtain Sided Truck (Driving School)	86,000	1	86,000					1	86,000						
Water Rescue Unit	54,000	1	54,000			1	54,000								
Modification of DK08 GJX to MTA (M19R6)			18,000				18,000								
Crew Van for Drone	32,000	1	32,000			1	32,000								
Wildfire Appliance 4x4	50,000	2	100,000			2	100,000								
Crane Lorry	200,000	1	200,000							1	200,000				
			3,534,150		75,000		1,272,050		215,000		1,660,000		312,100		
VEH010 Marine Rescue Vessels															
Docking System					36,000										
RNLI Class 75 Rib Boats			355,000						355,000						
			391,000		36,000				355,000						
Other Vehicles															
VEH001 - Fire Appliances															
Slippage b/f	229,000		687,000	3	687,000										
2019/20 Price	272,400	3	817,200	3	184,200		633,000								
2020/21 Price	278,200	4	1,112,800			4	1,112,800								
2021/22 Price	284,000	5	1,420,000	1	284,000			4	1,136,000						
2021/22 Price	290,000	3	870,000											3	870,000
VEH005 - Vehicles Water Strategy			16,400		16,400										
			4,923,400		1,171,600		1,745,800		1,136,000						870,000
WOR001 Workshop Equipment															
Equipment			40,000		10,000								20,000		10,000
Rolling Road Replacement (MOT bay)			10,000												10,000
Smoke Analyser (MOT bay)			8,000												8,000
Smoke Analyser (HGV)			10,000												10,000
Workshop Equip Somers vehicle Lift.		3	59,000	1	19,000					2	40,000				
			127,000		29,000						40,000		20,000		38,000
			10,797,700		1,757,100		3,549,100		1,808,600		1,913,300		478,100		1,291,500

MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	AUTHORITY BUDGET MEETING		
DATE:	27 FEBRUARY 2020	REPORT NO:	CFO/008/20
PRESENTING OFFICER	DIRECTOR OF FINANCE		
RESPONSIBLE OFFICER:	IAN CUMMINS	REPORT AUTHOR:	IAN CUMMINS
OFFICERS CONSULTED:	CHIEF FIRE OFFICER		
TITLE OF REPORT:	MERSEYSIDE FIRE AND RESCUE AUTHORITY BUDGET AND FINANCIAL PLAN 2020/2021 – 2024/2025		

APPENDICES:	APPENDIX A:	DRAFT SUMMARY REVENUE BUDGET ANALYSIS
	APPENDIX B:	PROPOSED CAPITAL PROGRAMME 2020/21 – 2024/25
	APPENDIX C	PROPOSED 2020/21 – 2024/25 FIVE YEAR MTFP
	APPENDIX D	RESERVES

Purpose of Report

1. To present information in order to allow Members to set a medium term capital and revenue financial plan that allocates resources in line with the Authority’s strategic aims and ensures that the Authority delivers an efficient and effective, value for money service aligned to its budget principles. This will enable the Authority to determine a budget for 2020/2021 whilst setting a precept level which is in line with statutory requirements.

Recommendation

2. That Members consider the report and proposed budget and:-
 - Note the 2020/2021 service budget set out in the report.
 - Endorse the Director of Finance’s recommendation on maintaining the current level of general fund balance at £3.000m, and maintaining the reserves as outlined in Paragraph 127 to 129 of this report.
 - Endorse the current plan to increase the precept by just below 2% (1.98%) for 2020/2021, raising the Band D Council Tax from £78.84 to £80.40 and confirm the strategy for future precept rises (the plan assumes further increases of just under 2% in each year thereafter).
 - Endorse the assumptions in developing a five year (2020/21 – 2024/25) Financial Plan outlined in the report and approve the Medium Term

Financial Plan in Appendix C and the 2020/2021 budget estimate of £61.961m.

- Delegate authority to the Director of Finance to take up the option of paying Merseyside Pension Fund 80% of the 2020/2021 – 2022/2023 forecast LGPS employer future service contributions **if** the advice from the Auditor and legal professionals is that it is allowable, and accept the discount offered by the Fund.
- Approve 2020/2021 – 2024/2025 amended MTFP outlined in the report and summarised in Appendix C.
- Approve the capital strategy and investment strategy as summarised in Appendix B.
- Approve the Minimum Revenue Provision (MRP) strategy for 2020/2021 as outlined in Paragraph 61 to 70 of this report.
- Note the prudential indicators relating to the proposed capital programme, paragraph 76 to 80 of this report.
- Approve the Treasury Management Strategy outlined in Section F and agree the Treasury Management indicators set out in the section for:-
 - External Debt
 - Operational Boundary for Debt
 - Upper limits on fixed interest rate exposure
 - Upper limits on variable rate exposure
 - Limits on the maturity structure of debt
 - Limits on investments for more than 364 days
- Note that the recommendations above provide an approved framework within which officers undertake the day to day capital and treasury activities.

Introduction and Background

3. The Authority is required to determine its budget and precept level for 2020/2021 by 1st March 2020.
4. This report will present all the necessary financial information in a single report. This report considers:-
 - Forecast Revenue Estimates
 - The Proposed Capital Programme
 - Savings and Growth Options
 - The Treasury Management Strategy
 - The Minimum Revenue Payment Policy for the Authority

5. Considering all the financial issues to be taken into account in a single report ensures that the Authority can:-

- Consider the borrowing freedoms available under the prudential code
- Reflect best practice
- Provide value for money
- Focus on the link between capital investment decisions and revenue budgets
- Continue developing their strategic financial plan

6. The following report structure will be adopted:-

Section	Focus	Paragraph
A	Executive Summary	7- 25
B	Background Information	26-43
C	Capital Programme Strategy	44-60
D	Minimum Revenue Provision Statement	61-70
E	Prudential Indicator Report	71-80
F	Treasury Management Strategy Statement	81-83
G	Revenue Forecasts 2020/21 – 2024/2025	84-103
H	Options for Tackling the Future Financial Challenge (2021/2022-2024/2025)	104-117
I	Adequacy of Reserves and Balances	118-132
J	Budget Timetable & Resolution	133-136

A) EXECUTIVE SUMMARY

7. The Authority must set a balanced budget and a precept level by 1st March 2020.
8. The budget and financial plan should allocate resources in line with the Authority's Mission and Aims:-

Our Mission:

To Achieve; Safer, Stronger Communities - Safe Effective Firefighters

Our Aims:

Excellent Operational Preparedness
Excellent Operational Response
Excellent Prevention and Protection
Excellent People

9. Members approved a 2019/2020 – 2023/2024 medium term financial plan (MTFP) at the Budget Authority meeting on 28th February 2019 that anticipated the 2020/2021 funding position and set a 2020/2021 budget within the expected level of resources.
10. The Authority's 2020/2021 Government Settlement Funding Assessment, (SFA), increased by 1.6% compared to the 2019/2020 SFA. The actual 2020/2021 was 0.1% / £0.040m above the 2020/2021 anticipated SFA figure included in the current MTFP.
11. The current MTFP assumptions for pay, other expenditure and council tax funding were reviewed at the January 2020 Budget Strategy day. Section G of this report outlines all the changes in the proposed new MTFP compared to last year's estimates. The revised budget assumptions for 2020/2021 have increased the total expenditure forecast by £0.580m, mainly as a result of the increase in the annual pay award assumption from 2.0% to 2.5% and other new cost pressures. However, as available funding has increased by £0.580m (mainly as a result of a higher than anticipated council tax base increase and one-off increases in the collection fund(s)) the overall 2020/2021 forecast remains in a balanced position.
12. As part of last year's MTFP the Chief Fire Officer, (CFO), sought members' support to increase the frontline firefighter response and protection establishment from 620 full time equivalents (FTE) to 642, plus a new fire engineer post in protection, with a resulting increase in the available day time fire appliances from 26 to 30. The proposals enhanced the resilience and protection capabilities of the Service in light of an increase in fire and rescue risks and the need to invest in protection services. The assumption was that the additional £1m required to implement the proposals would be funded from the freeing up of budget currently committed to;
 - the repayment of debt servicing costs (associated with historic borrowing required to fund capital expenditure), £6.1m, and
 - the annual servicing of the MFRA Local Government Pension Scheme (LGPS) deficit, £0.9m p.a.

13. The MFRA LGPS is no longer in a deficit position and the required budget adjustments have now been actioned to permanently create the £1m budget provision to deliver the enhanced frontline services.
14. The Authority may choose to increase the 2020/2021 precept by 2% or more, the current limit before the Authority must carry out a referendum, however the increase would be subject to a referendum of the electorate of Merseyside. Any vote against such an increase will require a revised budget and incur the expense of re-billing all the districts within Merseyside estimated at +£1m.
15. The ready reckoner below outlines the impact of a potential just under 1.98% Council Tax increase:-

2019/20	2020/21	Property Band		Increase		Weekly increase
				£	%	£
£52.56	£53.60	For properties in Band	A	1.04	1.98	0.020
£61.32	£62.53	For properties in Band	B	1.21	1.97	0.023
£70.08	£71.47	For properties in Band	C	1.39	1.98	0.027
£78.84	£80.40	For properties in Band	D	1.56	1.98	0.030
£96.36	£98.27	For properties in Band	E	1.91	1.98	0.037
£113.88	£116.13	For properties in Band	F	2.25	1.98	0.043
£131.40	£134.00	For properties in Band	G	2.60	1.98	0.050
£157.68	£160.80	For properties in Band	H	3.12	1.98	0.060

The level of precept income expected from each Merseyside authority:-

PRECEPT		AUTHORITY
£		
8,764,540	Payable by	LIVERPOOL
7,554,858	Payable by	WIRRAL
4,202,669	Payable by	ST.HELENS
6,826,314	Payable by	SEFTON
2,955,102	Payable by	KNOWSLEY
30,303,483		

16. The proposed 2020/2021 MTFP based on the updated assumptions is outlined below, however, at this point in time Government support beyond 2020/2021 is unknown:-

2020/21 - 2024/25 FINANCIAL PLAN						
		2020/21	2021/22	2022/23	2023/24	2024/25
		£'000	£'000	£'000	£'000	£'000
2019/20 MTFP		61,381	62,759	64,150	65,350	65,350
New Issues Identified In 2019/20:-						
Revised FPS Employer Rates / Grant Announced by HO:-		-515	-515	-515	-515	-515
Increase 2020/21 & Future yrs Pay Award from 2% to 2.5%		197	437	677	917	1,157
2024/25 Inflation Provision						1,200
Unavoidable Growth		674	919	991	991	991
Additional MRP		224				
Recruitment reserve & drawdown based on actuals in year						
Employee Budget		-250	-750	-200	-200	0
Recruitment Reserve		250	750	200	200	0
		580	841	1,153	1,393	2,833
UPDATED MTFP Budget Requirement		61,961	63,600	65,303	66,743	68,183
FUNDING						
Government Funding-Settlement Funding Assessment:						
Top Up Grant .		-15,840				
CLG Estimate of Local Business Rate Share		-4,296				
Baseline Funding Level		-20,136				
RSG		-11,179				
		-31,315	-31,315	-31,628	-31,944	-32,263
Assume future SFA increase of +1% p.a.			-313	-316	-319	-323
Settlement Funding Assessment		-31,315	-31,628	-31,944	-32,263	-32,586
Adjustment for Business Rates based on District Forecasts						
Adjustment for Business Rate income forecast from Districts		-118	0	0	0	0
NNDR Collection Fund (surplus)/deficit		-139	0	0	0	0
Adjustment to Local Business Rates income forecast		-257	0	0	0	0
Council Tax -						
Base Precept Income		-29,223	-30,303	-31,212	-32,148	-33,114
Assume increase in Council Tax Base of 1.0% p.a. from 2021/22		-492	-303	-312	-322	-331
Assume a Precept increase of just under 2% (1.98%) from 2021/22		-588	-606	-624	-643	-662
Council Tax Collection Fund (surplus)/deficit		-86	0	0	0	0
Forecast Council Tax Income		-30,389	-31,212	-32,148	-33,113	-34,107
TOTAL FUNDING		-61,961	-62,840	-64,092	-65,376	-66,693
Forecast (Surplus) / Deficit		0	760	1,211	1,367	1,490

17. The Authority has created reserves in recent years to meet the cost of future projects, initiatives or as a contingency against specific risks. The current reserves and planned use is considered in Section I of this report, and summarised below:-

	Estimated 2020/21 Opening Balance	Estimated 2020/21		Estimated 2021/22 Expected Use	Estimated 2022/23 Expected Use	Estimated 2023/24 Expected Use	Estimated 2024/25 Expected Use	Estimated Future Years Expected
		Base Budget	During 2020/2021					
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Committed Reserves								
Emergency & Insurance Related Reserves								
Bellwin & Emergency Planning Reserve	222	0	0	0	0	0	0	-222
Insurance Reserve	383	0	0	0	0	0	0	-383
Modernisation Challenge								
Smoothing Reserve	2,000	0	-1,300	-700	0	0	0	0
Recruitment Reserve	3,000	0	-400	-400	-400	-400	-400	-1,000
Invest to Save Reserve	432	-223	0	-209	0	0	0	0
Capital, Debt Repayment Res	8,058	-5,329	0	-2,100	-629	0	0	0
Specific Projects								
PFI Annuity Reserve	1,895	-91	0	-95	-100	-110	-120	-1,379
Inflation Reserve	700	0	0	0	0	0	0	-700
Clothing Reserve	592	0	-392	-200	0	0	0	0
Training Reserve	150	0	-50	-50	-50	0	0	0
Equipment Reserve	77	0	-77	0	0	0	0	0
Healthy Community Reserve	30	0	-30	0	0	0	0	0
Health & Wellbeing	25	0	-25	0	0	0	0	0
Community Engagement	7	0	-7	0	0	0	0	0
Ringfenced Reserves								
Community Risk Management Reserve	325	0	-125	-100	-100	0	0	0
Energy Reserve	18	72	0	25	-75	-40	0	0
New Dimensions Reserve	41		-41	0	0	0	0	0
Total Committed Reserves	17,955	-5,571	-2,447	-3,829	-1,354	-550	-520	-3,684
General Revenue Reserve	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total Reserves	20,955	15,384	12,937	9,108	7,754	7,204	6,684	3,000

18. The Director of Finance recommends the Authority maintains a £3.000m General Fund Reserve. Members should be mindful that reserves, balances and one-off savings should only be used to finance one-off expenditure. If such monies are used to fund ongoing revenue expenditure without taking action to reduce underlying expenditure, the Authority would find itself facing the same deficit in the next and future years but without reserves available to finance it. This is underlined by the Auditor's 'Golden Rule'

- that “one-off” revenue reserves should not be used to support ‘ongoing’ revenue expenditure.

19. As with any assumptions those built into the medium term financial plan will be at risk from factors beyond the Authority’s control, such as approved pay awards or actual Government funding levels. If any of these assumptions vary then the forecast budget position will be affected. The Authority receives regular financial review reports throughout the year and any corrective action to keep the budget and MTFP in balance will be considered by Members’ as part of this reporting process.

20. The proposed 5 year capital programme is detailed in section C. The table below summarises the proposed £33.390m of investments which are mainly in the Authority’s property, vehicle and ICT assets.

Capital Expenditure	Total Cost £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Building/Land	12,853,800	10,588,900	939,900	705,000	305,000	315,000
Fire Safety	3,271,500	731,500	635,000	635,000	635,000	635,000
ICT	4,971,000	1,467,600	667,100	927,100	797,100	1,112,100
Operational Equipment & Hydrants	3,253,500	1,908,500	256,000	240,000	462,000	387,000
Vehicles	9,040,600	3,549,100	1,808,600	1,913,300	478,100	1,291,500
Expenditure	33,390,400	18,245,600	4,306,600	4,420,400	2,677,200	3,740,600
Financing Available	Total £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2023/24 £
Capital Receipts	1,325,000	1,325,000	0	0	0	0
RCCO	1,875,000	375,000	375,000	375,000	375,000	375,000
Capital Reserves	5,300,000	5,300,000	0	0	0	0
Grants	1,250,000	1,250,000	0	0	0	0
Total Non Borrowing	9,750,000	8,250,000	375,000	375,000	375,000	375,000
Unsupported Borrowing	23,640,400	9,995,600	3,931,600	4,045,400	2,302,200	3,365,600
Total Funding	33,390,400	18,245,600	4,306,600	4,420,400	2,677,200	3,740,600

21. The proposed capital programme has a borrowing requirement of £9.996m in 2020/2021 and £23.640m across the whole life of the plan. The proposed borrowing is unsupported or prudential as Members will note that the Government no longer allocates any supported borrowing to FRA’s and therefore no longer builds any revenue grant funding support for new borrowing in the formula grant. This means all borrowing is prudential borrowing and based on the Authority considering it sustainable and affordable.

22. The Authority needs to be mindful of the revenue costs of borrowing. Current and future debt servicing costs as a consequence of the proposed capital programme have been built into the proposed financial plan. This report provides members with a number of prudential indicators so they can ensure that this commitment is considered affordable, prudent and sustainable in light of these prudential indicators (Section E).

23. The Prudential Code requires the Authority to set a Treasury Management Strategy that includes a number of indicators and limits. It sets a framework for the Director of Finance to manage investments and borrowing within.

24. The proposed strategy is set out in Section F and includes limits for the next three years on:-
- Overall Level of External Debt
 - Operational Boundary for Debt
 - Upper limits on fixed interest rate exposure
 - Upper limits on variable rate exposure
 - Limits on the maturity structure of debt
 - Limits on investments for more than 364 days
25. Minimum Revenue Provision (MRP) is the amount of money set aside in the revenue budget by the Authority each year to reduce its overall level of debt. The Authority is required under the Local Authorities (Capital Finance and Accounting, England, Amendment) Regulations 2008 to prepare a statement on its policy for MRP in respect of the forthcoming year. Regulations require the Authority to pay debt at a rate which it considers prudent. The Director of Finance has reviewed the MRP policy in line with the legislation and the report outlines the proposed MRP policy for 2020/2021 and future years in section D of this report.

B) BACKGROUND INFORMATION

26. This section provides general financial information on the Authority's finances and financial health.
27. If any organisation wants to be successful its budget setting and medium term financial plan must allocate resources to support its key strategic aims and priorities. This is a vital consideration when organisations face periods of severe financial challenge. For many years now the Authority has maintained a comprehensive medium term financial plan (MTFP) and capital programme.
28. Since 2010 the Government has implemented an austerity plan in an attempt to reduce national debt. A significant element of the plan was to reduce the level of Government funding for local government (this includes fire and rescue authorities). As the Authority had a relatively low council tax base it was more reliant upon Government grant funding to support its revenue budget and therefore suffered a more proportionate financial loss than almost every other fire and rescue authority in the country. The cumulative percentage reduction in Government revenue support for the Authority between 2010/11 (£46.3m) and 2019/20 (£30.8m) equates to a 33% cash reduction or approximately 50% in real terms. That resulted in unavoidable reductions in the front line operational services over this period.
29. Ten years ago the Authority employed approximately 1,000 Full Time Equivalent (FTE) firefighters. The current establishment is 642 FTEs, 36% lower than 2010/11. Support and technical staff have reduced from 425 FTE to 291 FTE, a 32% reduction. Many of these staff carry out important front line preventative and response work with the Merseyside community.
30. In 2010/11 the Authority had 42 wholtime fire appliances immediately available and 1 retained - 43 appliances in total. The Authority's current budgeted position is:
 - Days: 27 immediately available plus 3 on a 30 minute recall
 - Night: 21 immediately available plus 9 on a 30 minute recall.
31. In 2010/11 the Authority had 26 full time fire stations the current budget will see that reduce to 22 (maintained by a variety of demand led duty cover systems) by the end of 2020.
32. This report provides the Authority with an updated 2020/2021 – 2024/2025 MTFP that delivers a balanced financial position in 2020/2021. While the MTFP outlines a potential financial challenge from 2021/2022 to 2024/2025 Members are asked to simply note this challenge at this point due to the significant uncertainty over future Government support and future costs (particularly pay awards and the impact of McCloud). The Government has indicated that the comprehensive spending review 2020 (CSR 2020) will provide a multi-year funding settlement for 2021/2022. The Chief Fire Officer (CFO) will lead a review of the current MTFP and Capital Programme with the Senior Leadership Team (SLT) to consider areas for future revenue savings during 2020. IF any new saving options are required, proposals will be brought back to Members for consideration during the 2021/2022 Budget process.

33. Further cuts in Government support in 2021/2022 and future years may result in reductions in firefighters, fire appliances and stations.
34. The Integrated Risk Management Plan (IRMP) is the key driver in the allocation of the Authority's resources in response to the risks facing Merseyside. The Authority's IRMP states the main strategic themes that the Authority has been progressing and its plans for the future. The current IRMP covers the period from 2017 to 2021. The Authority's Mission and Aims as set out in the IRMP are repeated below. Any financial plan should aim to allocate resources to deliver the mission and aims.

Our Mission;

To Achieve; Safer Stronger Communities - Safe Effective Firefighters

Our Aims;

Excellent Operational Preparedness

We will provide our firefighters with training, information, procedures and equipment to ensure they can safely and effectively resolve emergency incidents.

Excellent Operational Response

To maintain an excellent emergency response to meet risk across Merseyside with safety and effectiveness at its core.

Excellent Prevention and Protection

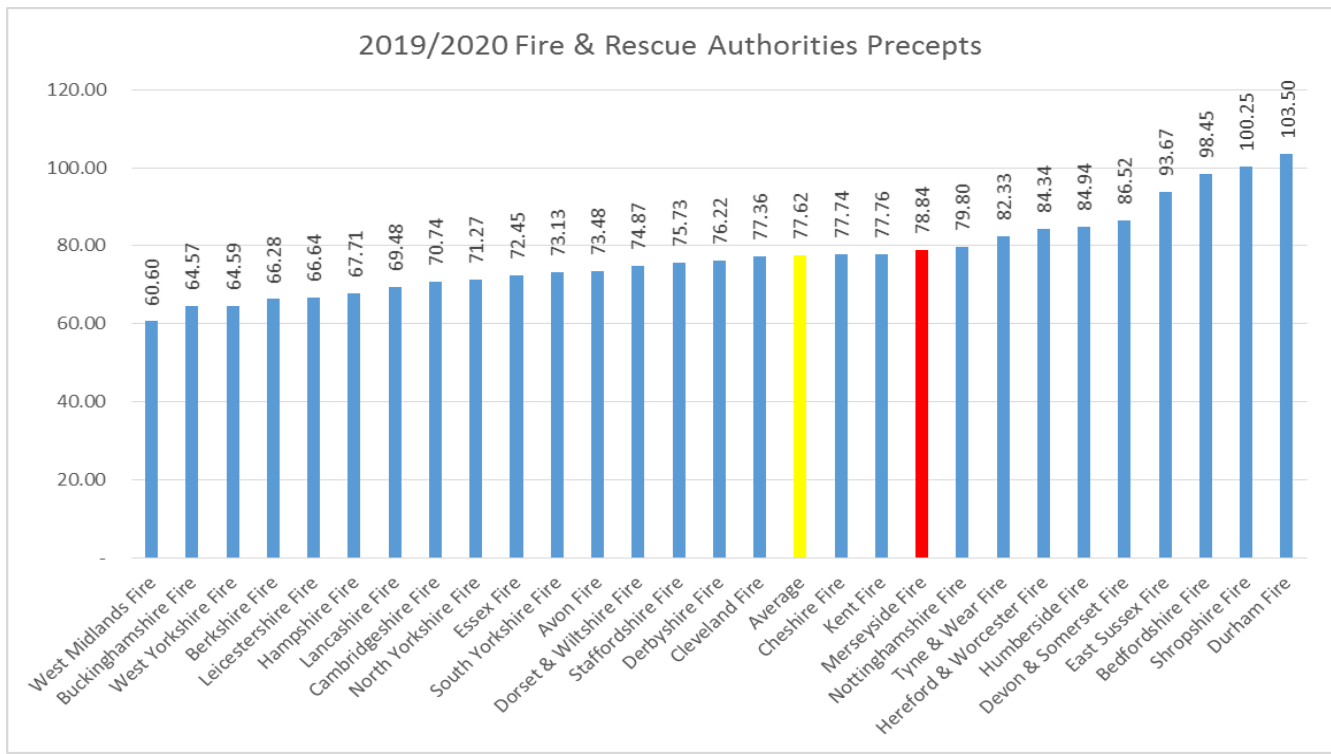
Working with partners and our community to protect the most vulnerable.

Excellent People

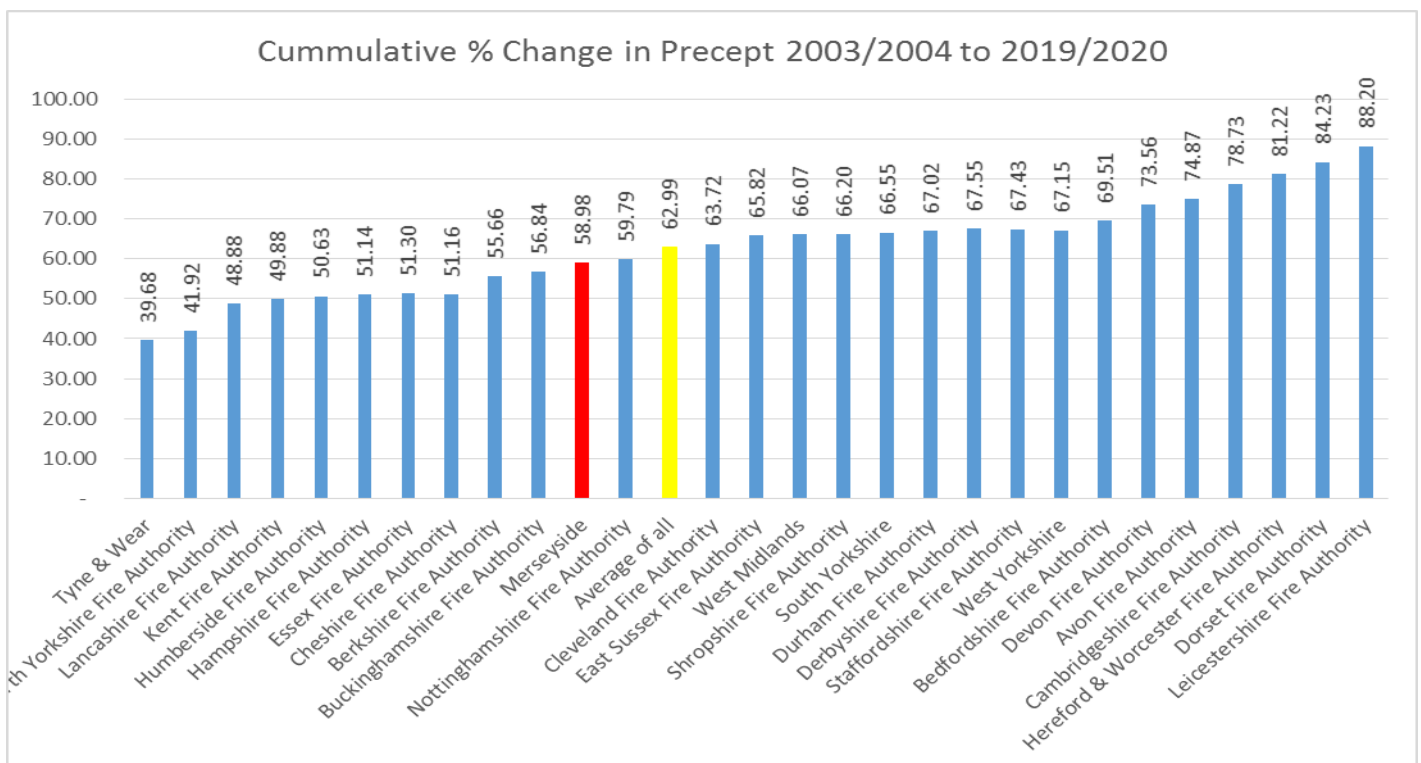
We will develop and value all our employees, respecting diversity, promoting opportunity and equality for all.

35. In recent years the Authority has adopted a financial strategy that:-
- Sought to control Council Tax increases,
 - Planned for pay awards and cost increases in line with Treasury inflation forecasts,
 - Sought to generate significant savings through staff reductions whilst avoiding compulsory redundancy,
 - Sought to minimise the impact of cuts on frontline services including prevention,
 - Made significant investment in IT and computing (including outsourcing),
 - Provided investment in equality and inclusion and health and safety,
 - Attempted to plan prudently over the medium term by considering all significant risks to the assumptions in the financial plan and creating specific reserves if deemed necessary,
 - Maintained an adequate general reserve following assessments of risk,
 - Because of pressures on revenue budget generally avoided funding capital expenditure from revenue through leasing or RCCO,
 - Invested in the capital infrastructure of the Authority in line with the Asset Management Plan, vehicle replacement strategies and corporate objectives.
36. These strategies have over recent history allowed the Authority to reduce costs and maintain relatively low levels of Council Tax increase despite very tight grant settlements.

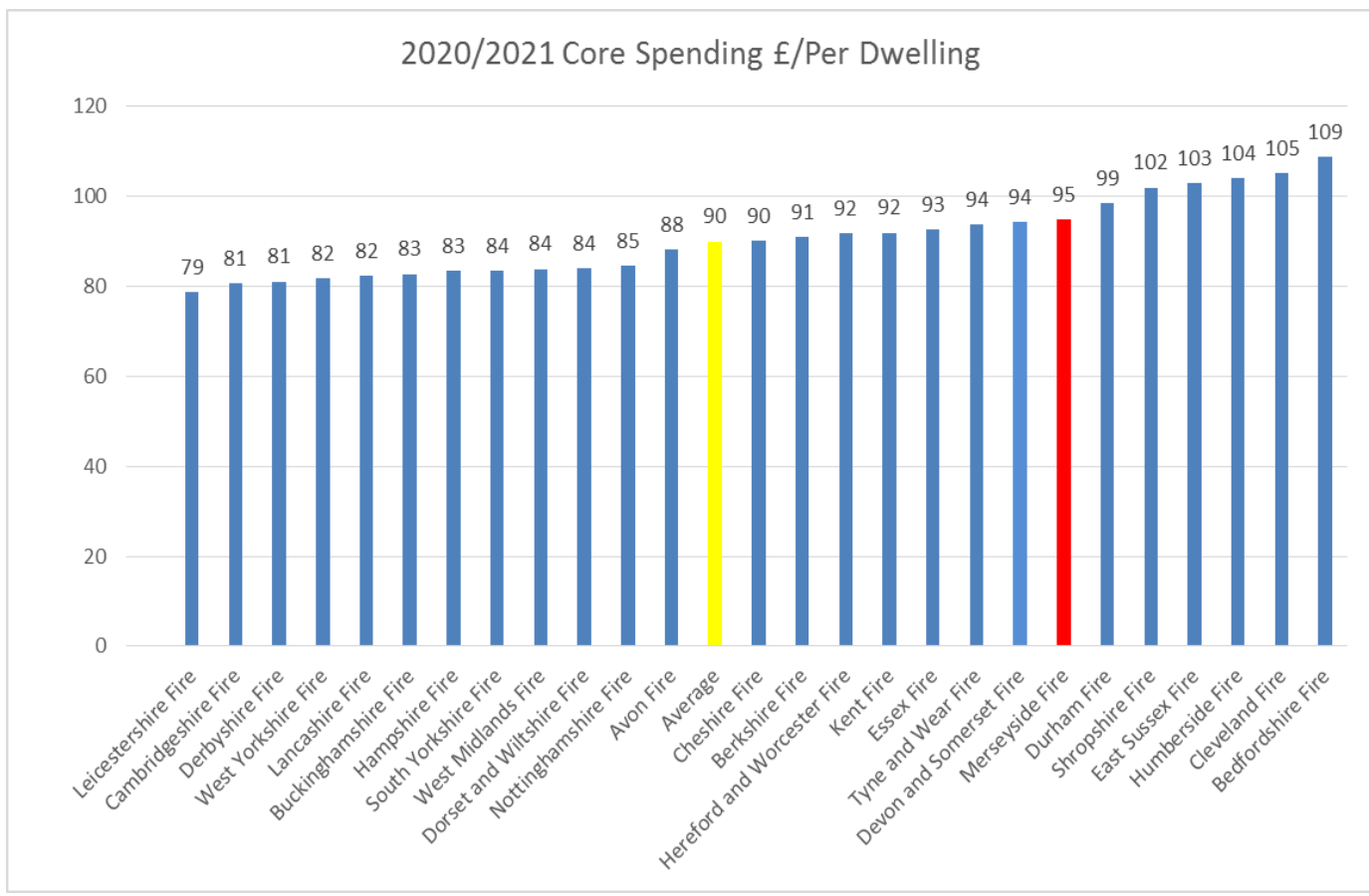
37. The Authority's 2019/2020 (Band D) Council Tax is £78.84, this is slightly above the FRS national average, £77.62, as shown in the bar chart below:-



38. Over the past 16 years when compared to the other FRA's Merseyside has had one of the lowest cumulative council tax increases:



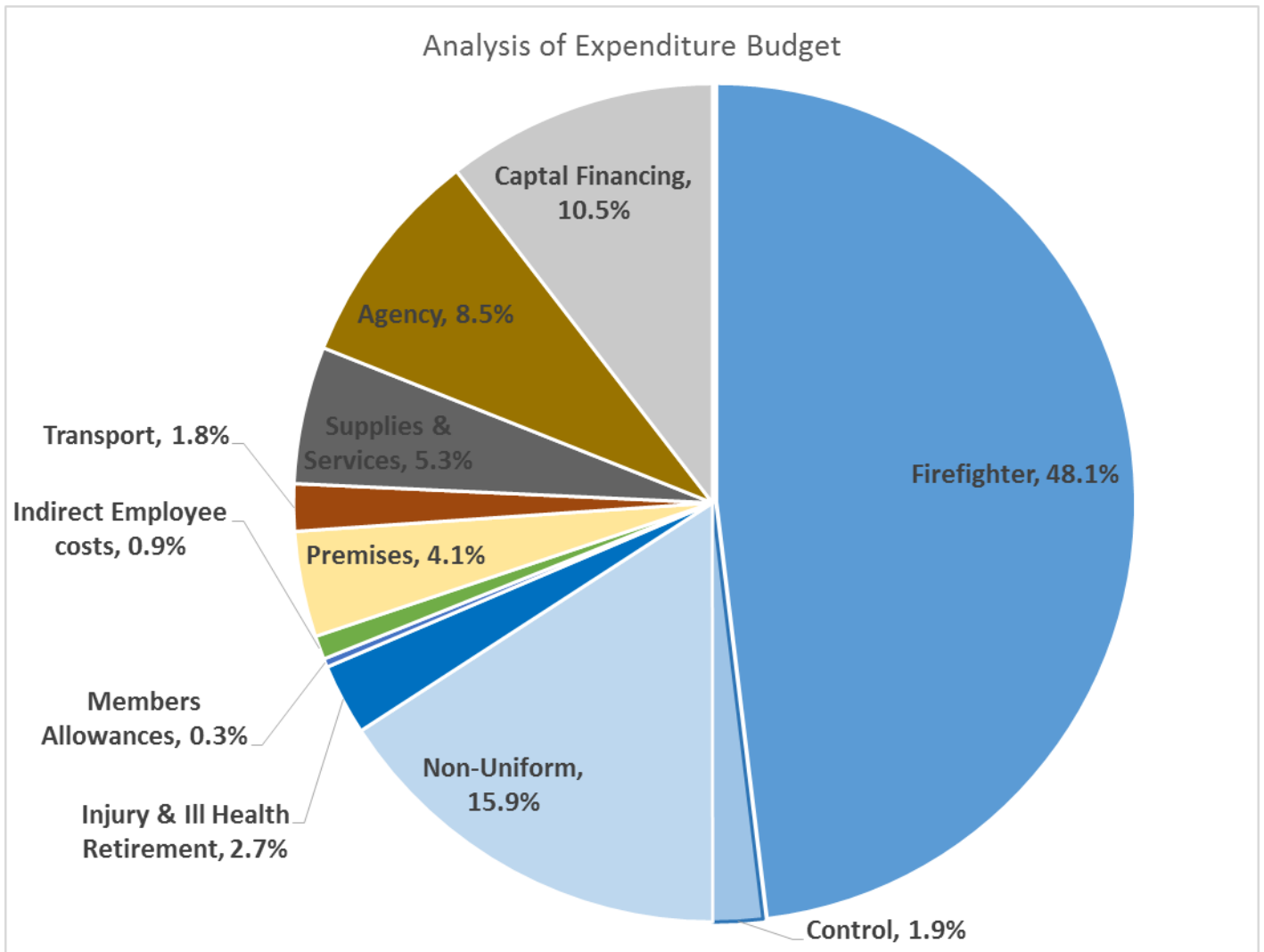
39. The Authority’s control of council tax should be considered in light of the fact that across the same time period the council tax base of Merseyside has had one of the lowest increases. The tax base reflects how much income is generated by £1 of “Band D” equivalent council tax. So if the tax base increases, income will increase, even if the council tax charge remains unchanged.
40. However, despite recent improvements it should be noted that we remain, in comparison to our peers, a relatively high spending Authority on a core spending per dwelling basis. *(Core Spending is a Government measure of estimated overall budget which includes Government funding plus council tax income based on future precept and tax base increases and the compensating small business rates grant)*



41. The unprecedented reductions in Government funding over the 2011/2012 to 2019/2020 period required difficult decisions to be made but the Authority has a proven track record in managing its financial affairs well as can be seen in the following indicators:-
- 2018/19 Statement of Accounts were audited without qualification once again.
 - Annual Audit Letter highlighted general satisfaction with financial corporate governance and reporting arrangements.
 - The Authority has maintained a general revenue reserve of at least £3.0m.
 - Cost centre budgeting now well established along with a culture of financial management.
 - Maintained a medium term financial plan and capital programme and most importantly a consistent medium term strategy.

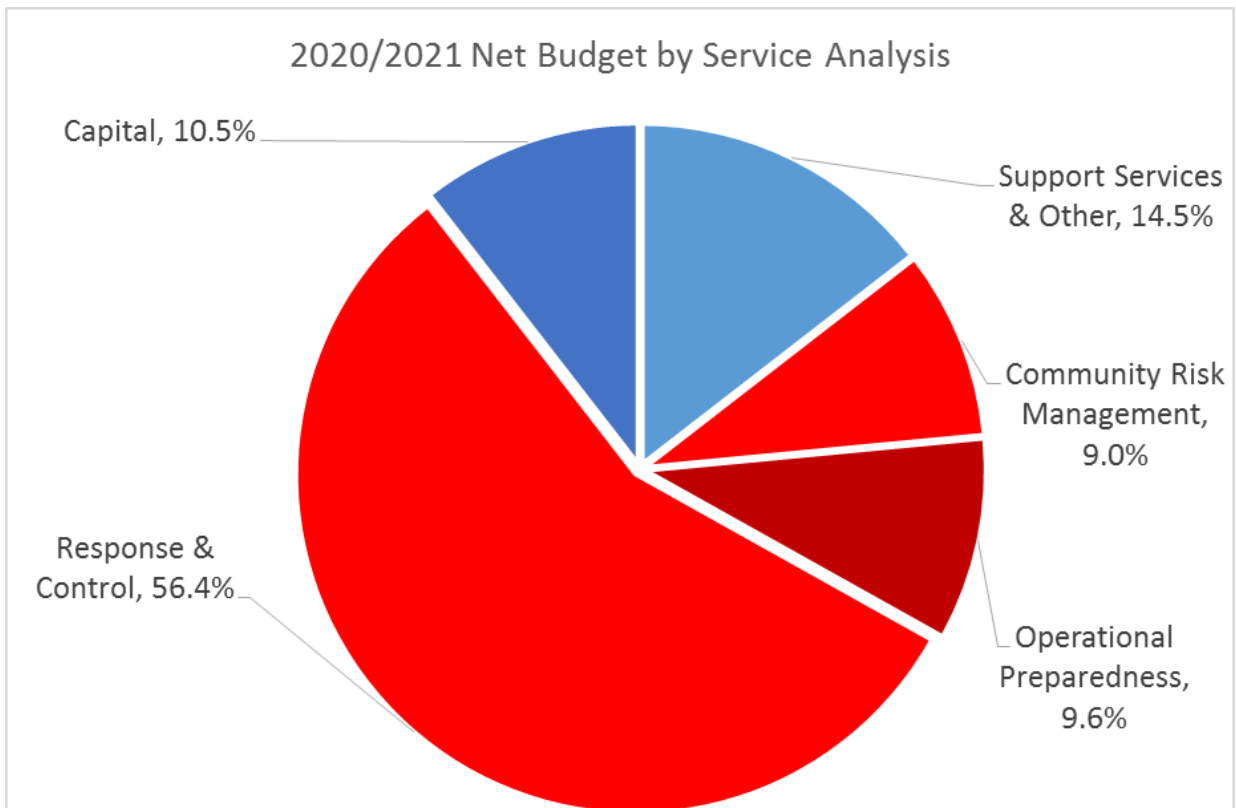
- Successfully delivered large-scale changes and savings.

42. Members will be aware that Merseyside Fire and Rescue Authority expenditure is predominantly employee related (70%). (The blue sections relate to employee costs):-



A full subjective analysis of the base budget for 2020/2021 is set out in **Appendix A**. A subjective analysis is only part of the overall view on spending and in order to assist Members the same data is shown in a “thematic” view below and is based upon the Service’s strategic objectives.

43. The Authority has an excellent track record of investing in line with its corporate priorities. It can be seen from the pie chart overleaf that most expenditure 56.4% goes on emergency and specialist response. In addition 9.6% goes on Operational Preparedness and 9.0% on Community Risk Management. Therefore 75.0% of expenditure is on the “front line” services. In addition the 10.5% on capital costs relates mostly to previous investment in front line assets, fire stations, vehicles and equipment. The remaining 14.5% is on support services.



Looking in more detail at each area the expenditure includes:-

Operational Response & Control (Total £34.9m)

- Service delivery and emergency response through its 23 (reducing to 22) fire stations and its control room.
- Specialist capabilities such as the Search and Rescue Team.
- Invested in staff safety – procured state of the art fire kit, helmets, boots, breathing apparatus and appliances.
- Deliver HFSC programme.
- Investing in new community fire stations.
- Marine Rescue Unit to support John Lennon Airport and safety on the River Mersey.

Community Risk Management (Total £5.6m)

- Protection Teams; £2.5m.
- Community Prevention work and youth engagement; £2.4m
- Employment of specialist Advocates and continuation of the Princes Trust and other programmes.
- Fire Service Direct; £0.2m
- Purchase and installation of £0.3m of smoke alarms per annum (capital)

Operational Preparedness (Total £6.0m)

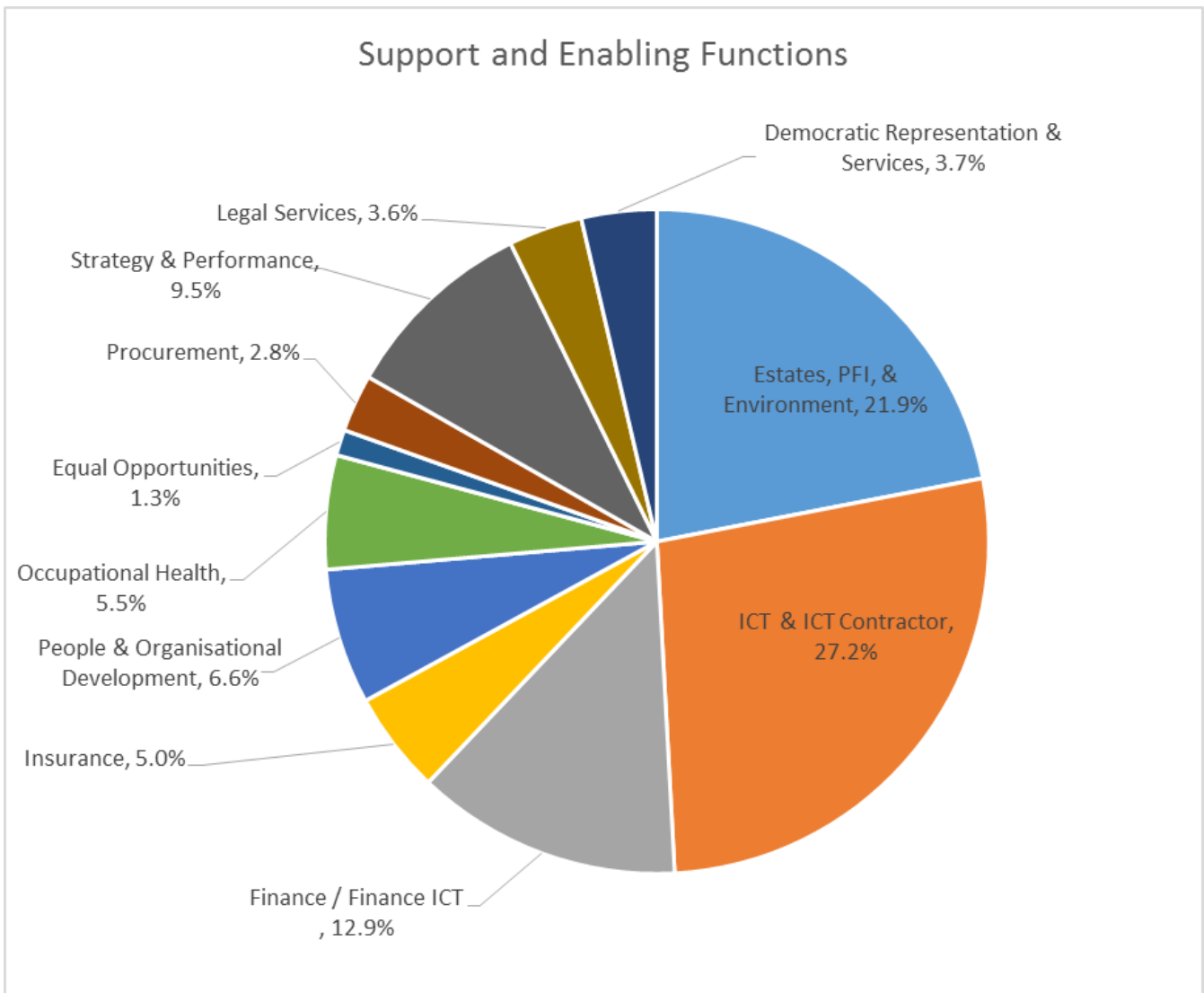
The investment of £6.0m delivers a variety of services which helps prepare for a full range of possible incidents in Merseyside and ensure Firefighter safety.

- Training Delivery

- Operational Planning and Policy
- Contingency Planning
- New Dimensions (National Resilience) to cope with major disasters and terrorist threats
- Invests £1.7m operating a Training and Development Academy.
- Operational Equipment Team
- Water Section
- Health and Safety Department
- Transport/Fleet Management – to keep vehicles operating effectively
- Workshops
- National Operational Guidance Review Team

Support Services & Enabling Services (Total £9.0m)

The investment in support services of £9.0m represents 14.5% of the budget. The pie chart below shows the breakdown of those support areas:-



It should be noted that many of the support and enabling services are key “front line” elements of a modern FRA. For example:-

- Estates – includes the running costs of buildings including 23 Community Fire Stations;
- ICT – includes the cost of the ICT Fire for Control;
- Occupational Health – to support staff wellbeing and manage attendance.

In addition some support functions are unavoidable for any organisation;

- Insurance - to cover 3rd party, vehicle, public and employer liabilities;
- Legal; Payroll; Accountancy; Human Resources; Procurement etc. to support the organisation in paying its staff, suppliers, and ensuring activities are carried out within the relevant laws.

The cost of governance in relation to elected members is also contained within support and other costs.

C) CAPITAL STRATEGY AND PROGRAMME

44. Capital is considered first in this report so that Members can clearly consider the revenue impacts of capital investment and borrowing decisions as part of revenue budget and council tax considerations. The proposed capital investment contributes to the future provision of operational and other Authority services as it facilitates the required infrastructure investment in; property, ICT, vehicles, and equipment needed by the Service to deliver future day to day activities. ***The following sections (C) to (F) anticipate the Authority agreeing the proposed capital programme and it's financing as set out.***
45. From 1st April 2004, the Local Government Act 2003 replaced the previous regime of capital controls with the Prudential System for Capital Finance. Local authorities are free to decide for themselves how much they can afford to borrow for capital purposes, subject to various safeguards. The Government has reserve powers to limit an authority's borrowing if the Government believes it to be unaffordable, or in times of public spending restraint. A key part of the revised capital system is the CIPFA "Prudential Code for Local Authority Capital Finance" which provides a framework of decision-making under which authorities will decide their capital investment and financing plans and set limits for borrowing.
46. Authorities will be required to 'have regard to' the "Prudential Code" when setting their future budgets and Council Tax levels - which in practice means that they would need to have very good reasons not to comply. The over-riding objective of the "Prudential Code" is to ensure that the capital investment plans of local authorities are **affordable, prudent, sustainable**, and follow good practice.
47. Some of the main features of the "Prudential Code" are as follows:
- The full Authority must consider and set a number of indicators and limits for its capital plans as part of the annual budget setting process. The limits can be revised during the year but only by the full Authority. The mandatory indicators are shown in Section E.
 - The indicators and limits must be monitored during the year and outturn figures reported.
 - The Authority must produce and maintain capital and revenue plans for at least three future years including three year estimates of its future Council Tax, taking account of the proposed capital programme and other plans.
 - The Authority must set an authorised limit for its total debt (including borrowing and long term liabilities) which may not be exceeded.
 - Limits relating to treasury management matters must be considered as part of the Annual Treasury Management Strategy Report.
48. Fundamentally, the objective of the Code is that the total of an Authority's capital investment remains within sustainable limits, following consideration of the impact on the "bottom line" Council Tax. This is ultimately determined by a judgement about what Members consider is an acceptable level of Council Tax.
49. Proposals for capital investment are aligned to Authority and Service priorities. The starting point for this programme has been an assessment of the capital investment requirements for the Authority for future years based upon needs identified by the

various expert professionals in areas like buildings, vehicles, ICT, and operational equipment. Initial bids were requested and through an iterative process and officers have modified the programme taking into account:-

- The updated five year asset management plans (the asset management plans can be found on today's Authority agenda), and
- service requirements, in particular investments required to support and deliver the IRMP.
- the need to adopt a prudential approach to capital borrowing under the new regime, being mindful of affordability, prudence and sustainability and in particular the impact on Council Tax levels.

50. Each financial year the Authority produces a rolling five year capital programme to manage major capital schemes. Owing to the nature of capital expenditure a large number of schemes span more than one financial year so the programme is a rolling programme covering five future financial years.
51. Although the proposed capital programme covers a five year period for those assets that have a significant longer life an extended term view of future capital investment exists. This is true specifically for property investment as these assets may have a +50 year asset life. Property asset management objectives exist to identify planned spend over a +10 year period. In addition, fire appliances and specialist vehicles have a 10 to 15 year asset life and a replacement strategy exists that ensures the Authority maintains the appropriate levels of operational capability. The vehicle replacement strategy ensures appliance and specialist vehicle refresh is spread over a number of years to allow flexibility on model options and to keep pace with new technology and innovations in design and development.
52. The proposed £33.390m five-year programme, set out in Appendix B, is summarised in the table below. This table also identifies funding of the programme and a resultant borrowing requirement of £23.640m.

Capital Programme 2020/21 to 2024/25

Capital Expenditure	Total Cost £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Building/Land	12,853,800	10,588,900	939,900	705,000	305,000	315,000
Fire Safety	3,271,500	731,500	635,000	635,000	635,000	635,000
ICT	4,971,000	1,467,600	667,100	927,100	797,100	1,112,100
Operational Equipment & Hydrants	3,253,500	1,908,500	256,000	240,000	462,000	387,000
Vehicles	9,040,600	3,549,100	1,808,600	1,913,300	478,100	1,291,500
Expenditure	33,390,400	18,245,600	4,306,600	4,420,400	2,677,200	3,740,600
Financing Available	Total £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2023/24 £
Capital Receipts	1,325,000	1,325,000	0	0	0	0
RCCO	1,875,000	375,000	375,000	375,000	375,000	375,000
Capital Reserves	5,300,000	5,300,000	0	0	0	0
Grants	1,250,000	1,250,000	0	0	0	0
Total Non Borrowing	9,750,000	8,250,000	375,000	375,000	375,000	375,000
Unsupported Borrowing	23,640,400	9,995,600	3,931,600	4,045,400	2,302,200	3,365,600
Total Funding	33,390,400	18,245,600	4,306,600	4,420,400	2,677,200	3,740,600

53. New additions to the capital programme have increased the overall expenditure by £4.913m, the reasons for this are :-

- (a) The addition of the “extra year” to the programme 2024/25, £3.741m.
- (b) New Expenditure Proposals in 2020/2021 – 2023/24 of £1.172m have been included. The key items are for investment in; upgrades to a number of current ICT applications and a price increase in the Microsoft agreement (+£0.618m); additional specialist response vehicles (+£0.311m); operational equipment purchases (+£0.068m); and additional building works at Heswall fire station (+£0.175m).

54. **Appendix B** provides a full analysis of the current 5 year capital programme. The main areas of capital programme expenditure are summarised below:-

A. Building Investment Strategy (£12.854m)

The estate comprises of 23 fire stations (*that will reduce to 22 following the completion of the current station merger programme at St Helens*), a Training and Development Academy (TDA), Service Headquarters including Fire and Rescue Control, Marine Rescue Unit, and the Engineering Centre. The capital programme reflects the funding required to replace, maintain and enhance the current estate stock, and when possible seeks to attract external funding or specific contributions (capital grants, capital receipts, capital reserves) to reduce the level of borrowing required. Estates maintain and revise a 5 year property asset management plan supported by a 10 year property strategy. The proposed capital programme is consistent with the priority areas that are contained within the plan. The completion of the construction of a new community fire station in St Helens as part of the station merger programme accounts for £2.500m of the planned spend. The planned refurbishment of the current Training & Development Centre (TDA) commits £4.494m, but the CFO and SLT will consider during 2020 if an alternative option of a new site and potential station mergers offers a more preferable solution. Essential work at fire stations and other property makes up most of the balance.

B. Fire Safety (Community Risk Management) (£3.272m)

Smoke alarms and sprinkler systems are being classed as capital expenditure in line with Government guidance. This follows the awarding of historic capital grants by the (then) Office of the Deputy Prime Minister towards the purchase cost of such items in financial years 2004/05 through to 2007/08. Current policy is to capitalise the installation costs of smoke alarms estimated at £1.875m over the period, however this expenditure is not funded through borrowing but financed in the year by a revenue contribution to capital.

C. ICT – Investing in line with the ICT Strategy (£4.971m)

In line with the increasing use of technology to improve the service there is a significant investment in ICT within the programme. The most significant investments are in line with a planned replacement policy of 5 years for PCs, servers and network £1.8m; software licenses £1.9m and the planned upgrade to the control room ICT and other applications, £1.2m.

D. Operational Equipment & Hydrants (£3.254m)

Provision is also made to ensure that a modern fire and rescue service can be delivered and firefighters kept safe, in particular provision is made for investment in specialist rescue equipment and new breathing apparatus such as :-

- a. Hydraulic rescue equipment, £0.6m
- b. BA and resuscitation equipment, £0.1m
- c. Bulk foam, £0.1m
- d. Radiation/gas detection equip, £0.1m
- e. Thermal imaging cameras, £0.2m
- f. Water rescue equipment, £0.1m
- g. Operational ladders, £0.1m
- h. Other specialist equipment, £0.6m
- i. National Resilience Assurance Team (NRAT) asset refresh, £1.2m
- j. Installation of new or replacement hydrants in line with our water strategy, £0.2m.

The Authority acts as Lead Authority for the Home Office in relation to national assurance and as such receives grant funding to procure all national assurance asset refresh. The £1.2m identified above is fully funded by the Home Office and assets once procured are redistributed to the national assurance teams.

E. Vehicle Replacement Strategy (£9.041m)

The Fleet Manager has identified needs as follows:-

a. Fire Appliances;

The Authority has developed an appliance replacement strategy based on the economic life of an appliance. Each appliance has an estimated service life of 10 years on the front line followed by 2 years as a reserve appliance. The plan provides for 12 new appliances. The total appliance fleet is 37, of which 30 are left on stations including the SRT and 7 held in reserve.

b. Specialist Vehicles;

There is a need to make provision for the purchase of specialist vehicles to support the wider range of roles for the fire and rescue service including:

- Combined Platform Ladder appliances (2 new vehicles)
- Incident Management Unit (IMU)
- Prime Movers (3)
- Crane Lorry (1)
- BA Support Unit (1)

c. Ancillary Vehicles;

Provision is included for the phased renewal of the ancillary vehicle fleet.

55. As significant uncertainty exists around the level of Government revenue funding beyond 2020/2021, the CFO will undertake a review of the current capital programme to determine if it is possible to free up funds to re-invest and modernise the Service's infrastructure. This may allow additional new capital spend (funded through borrowing).

The review will consider not just specific projects within the programme but the assumed asset life and refresh period.

56. Capital receipts: - capital receipts are usually the proceeds from the sale of assets. Any such receipts can be applied either to reduce an Authority's outstanding debt or to be reinvested in the capital infrastructure. The Authority has (when available) used capital receipts as a source of funding for new capital investment with little, if any, being used for debt repayment – unless regulations require a proportion of the receipts to be used specifically to repay debt.
57. The proposed capital programme anticipates capital receipts from a number of site disposals totalling £1.325m. It assumes that this income will be used to reinvest in the capital infrastructure and support the capital programme. Members should note that the anticipated capital receipt values are based on the best estimates at a point in time.
58. Capital Grants: As part of the 2010 spending review the Government also made the decision that there will be no supported borrowing allocations for the Fire and Rescue Service in the spending review period. As outlined in the capital operational equipment schemes the Authority has received £1.250m for NRAT asset refresh.
59. Borrowing:- Under the Prudential capital system local authorities are now able to determine their level of borrowing. However, the Government has retained reserve powers to limit an Authority's borrowing if the Government believes an Authority's proposals to be "unaffordable" or in times of national public spending constraint. The proposed capital programme represents an overall expenditure increase of £4.913m reflecting the proposed new starts expenditure. After taking into account the non-borrowing funding the impact of these net additions to the expenditure programme on the Authority's borrowing requirement is a net increase of £4.538m. The level of prudential "unsupported" borrowing in the proposed 5 year programme is £23.640m and the future revenue servicing cost of this debt has been built into the medium term financial plan as outline below.
60. When the Authority borrows money it has to factor the debt repayment and interest costs into its financial plans. The minimum revenue provision (MRP) methodology calculates how much debt repayment is required each year. Following the new Capital Regulations announced in 2008 the Authority must approve an MRP Statement each year that sets out the policy on MRP. Section D of this report outlines for Members the proposed MRP policy for 2020/2021 – 2024/2024 and the methodology for calculating the MRP. More information on the impact on the Capital Programme is shown in the section on Prudential Indicators (Section E).

(D) MINIMUM REVENUE PROVISION STATEMENT

61. Under the Local Authorities and Accounting Regulations, the Authority is required to set aside a sum of money each year to reduce the overall level of debt, this sum is known as the Minimum Revenue Provision (MRP). The 2003 Local Authorities (Capital Finance and Accounting) (England) Regulations set a minimum annual amount to be charged to revenue based on the Authority's Capital Financing Requirement (CFR) which is an amount broadly equivalent to the Authority's outstanding debt. The regulations were updated in 2008 Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations and now require each Authority to repay debt at a rate it considers **prudent** and to set out in an annual statement the Authority's policy on making MRP in respect of the forthcoming year.
62. The regulations guidelines interprets that MRP may be deemed to be prudent if it is either:
- Based over a period that is reasonably commensurate with that over which the capital expenditure / asset provides benefits (asset life), or
 - For the element of expenditure met from borrowing supported by Government Grant a period reasonably commensurate with the period in the determination of that grant (this in reality would equate to a 4% MRP methodology).
63. The regulations guidelines set out four options for calculating MRP, however as the Government are issuing no new supported borrowing only 2 of the 4 options are applicable for new borrowing. (Asset Life Method or Depreciation methods):
1. **Regulatory Method** – This provides for local authorities to continue to calculate MRP in line with the minimum existing statutory charge of 4% of outstanding debt related to supported borrowing only. This option is available for all capital expenditure incurred prior to 1st April 2008.
 2. **Capital Financing Requirement Method** – This is very similar to the regulatory method but it does not take account of the adjustment that ensures authorities do not pay more MRP than under the previous capital regulatory regimes. For most authorities this method may not be appropriate as it would result in a higher level of provision than option 1.
 3. **Asset Life Method** – MRP is determined by reference to the life of the asset and the amount is either based on;
 - equal instalments method. This generates a series of equal annual amounts over the life of each asset that is financed from borrowing; or
 - annuity method. This method links the MRP to the flow of benefits from an asset where the benefit is expected to increase in later years.
 4. **Depreciation Method** - MRP is to be equal to the provision required in accordance with depreciation accounting in respect of the asset on which expenditure has been financed by borrowing. This option is available to both supported and unsupported borrowing in determining the MRP requirement.
64. The guidance indicates that for finance leases and on balance sheet PFI contracts, the MRP requirement is met by making a charge equal to the element of the finance lease

rental that goes to write down the balance sheet liability under proper accounting practices. This is in effect a modified version of the asset life - annuity method, the impact on the revenue account is neutral with MRP for these items matching the principal repayment embedded within the PFI or lease agreement.

65. The 2020/2021 MRP is determined by the actual level of outstanding debt (CFR) as at the end of 2019/2020. It is recommended that the Authority adopt a similar strategy for MRP determination as that in 2019/2020;
 - For all capital expenditure incurred after 1st April 2008 financed by **unsupported (prudential) borrowing**; MRP to be calculated using the Asset Life Method – equal instalments method.
 - For credit arrangements such as **on balance sheet leasing arrangements (finance leases)**; the MRP charge is to be equal to the principal element of the annual rental.
 - For **on balance sheet PFI contracts**; the MRP charge will be equal to the principal element of the annual rental.
66. For all capital expenditure incurred before 1st April 2008 and funded via supported borrowing the MRP is determined via a straight line (equal instalment) method for a period of up to 40 years (except land for which a 50 year period is used). The Director of Finance views this to be prudent methodology as it ensures that all of the debt is repaid over a finite timeframe.
67. The options set out above meet the requirement for MRP to be deemed prudent but also allows certainty and predictability over MRP charges. The financial plan outlined in this report takes into account the proposed Authority's policy on MRP.
68. In addition, it is proposed that any revenue budget savings identified in a year may be used to make additional one-off MRP payments if the overall financial position of the Authority in that year remains consistent with the approved financial plan.
69. Interest on loans taken out to fund capital expenditure is estimated at £2.0m.
70. The proposed financial plan includes budget provision to meet the MRP and interest payments based on historic and planned future capital spend. The Authority in the past has determined it can afford and sustain significant prudential borrowing in order to allow the required level of investment in the infrastructure and assets of the Authority to deliver a modern well equipped fire and rescue service.

(E) PRUDENTIAL INDICATOR REPORT

71. Having formulated a draft Capital Programme, the Authority, in making final decisions upon that Capital Programme and Revenue Budget 2020/2021, will need to consider a report setting out a range of Prudential Indicators aimed at demonstrating the intended Investment Programme's affordability, prudence and impact upon Treasury Management activity and strategy.
72. It should be noted, however, that in order to provide those indicators, capital and revenue financial plans need to be prepared for each of the next three financial years, commencing with 2020/2021.
73. The financial plans prepared in respect of the financial years 2021/2022 and 2022/2023 are not to be mistaken for approved Budgets. They are, at this stage, only a guide for financial planning and as such subject to significant change as a result of decisions made by the Authority. However, such plans are required to be supported by an indication of future Council Tax. At this stage an assumption of Council Tax increases of just under 2% in 2020/2021 and thereafter.
74. The Authority must demonstrate that its spending plans comply with the Prudential Code by the publication of a number of performance indicators, which are known as the Prudential Indicators. ***Details of the prudential indicators for this Authority are provided below.***
75. The purpose of the indicators is to demonstrate that capital investment remains within sustainable limits and that the Authority has considered the impact of the whole plan on future levels of Council Tax. The indicators that will measure this are:-
- Estimates of the ratio of capital financing charges to the net revenue budget
 - Estimates of the precept that would result from the three-year capital plan.
 - Estimates of the capital financing requirement.
76. The prudential indicators for the Authority are:-

a) Capital Expenditure

The actual capital expenditure that was incurred in 2018/19 and the estimates of capital expenditure to be incurred for the current and future years that are recommended for approval are:

	Actual 2017/18 £000,s	Actual 2018/19 £000,s	Estimate 2019/20 £000,s	Estimate 2020/21 £000,s	Estimate 2021/22 £000,s	Estimate 2022/23 £000,s	Estimate 2023/24 £000,s	Estimate 2024/25 £000,s
Capital Expenditure	10,159	9,698	12,587	18,246	4,307	4,420	2,677	3,741

Members will note that the increased expenditure in 2018/2019 – 2020/2021 reflects a number of significant investments including;

- The planned new fire stations in St Helens, and Saughall Massie, £12.600m over the period.
- Refurbishment of the Training and Development Academy of £3.775m in 2020/21

- New fire appliances spend of £4.672m over 2018/2019 – 2021/2022

This explains why the total expenditure in 2018/2019 – 2020/2021 appears to be relatively high. In addition it is important to remember capital costs are shown as the gross figure and are not shown net of any grants or contributions received to contribute towards the cost. More details on the capital programme are given elsewhere in the report (Section C).

(b) Ratio of Financing Costs to Net Revenue Stream

Estimates of the ratio of capital financing costs to net revenue stream (excludes capital amounts met from Government grants and specific funding) for the current and future years, and the actual figures for 2018/2019 are:

	Actual 2018/19	Estimate 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25
Ratio of Financing costs to Net Revenue Stream	16.51%	14.28%	6.87%	8.27%	8.87%	9.73%	9.73%

This shows that forecast debt financing costs will reduce from 16.51% in 2018/2019 to 8.87% in 2022/2023 reflecting the strategy to make additional MRP payments from any identified revenue savings in the years in order to free-up future debt servicing budget to invest in front line services.

(c) Effect on the Precept

The estimate of the incremental impact of capital investment decisions proposed in this budget report, over and above capital investment decisions that have been previously been taken by the Authority are:

	Estimate 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25
Incremental Impact of Capital Investment Decisions.	-£1.31	£2.34	£0.09	£0.02	£0.04	£1.28

This indicator compares the capital programme set by the Authority in last year's budget process to the proposed revised capital programme submitted this year. It is intended to show the marginal impact of the overall capital programme, and the decisions being made by the Authority, on the Council Tax levels. The re-phasing of expenditure from 2019/2020 into 2020/2021 approved during the year and the new starts in 2020/2021 – 2024/2025 explains the movement in the figures over this period.

77. The Capital Financing Requirement (CFR) measures the Authority's underlying need to borrow for capital investment purposes.
78. Based on current commitments for 2019/2020 and the latest estimates of capital investment decisions in future years, the capital financing requirement forecast as at 31st March 2020 and future years is as follows:

	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	31.3.19	31.3.20	31.3.21	31.3.22	31.3.23	31.3.24	31.3.25
	£000,s	£000,s	£000,s	£000,s	£000,s	£000,s	£000,s
Capital Financing Requirement	40,203	37,728	45,672	46,441	46,936	45,245	44,527
(Excluding PFI/MRD)							

In accordance with best practice, the Authority does not associate borrowing with particular items or types of expenditure. The Authority has, at any point in time, a number of cash flows both positive and negative, and manages its Treasury position in terms of its borrowings and investments in accordance with its approved Treasury Management Strategy and Practices. In day to day cash management, no distinction can be made between revenue cash and capital cash. External borrowing arises as a consequence of all the financial transactions of the Authority and not simply those arising from capital spending. In contrast, the capital financing requirement, CFR, reflects the Authority's underlying need to borrow for capital investment purposes.

79. CIPFA's *Prudential Code for Capital Finance in Local Authorities* includes the following as a key indicator of prudence:

"In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years."

80. The Authority had no difficulty in meeting this requirement as the Authority's CFR (excluding PFI) is expected to reach £46.9m by the end of 2022/2023 and the expected maximum debt position for 2022/2023 is £41.7m. The reason for the borrowing figure being lower than the CFR figure reflects the availability of cash in the form of reserves to the Authority and therefore the ability to defer having to take out new loans for the short to medium term.

(F) TREASURY MANAGEMENT STRATEGY STATEMENT 2020/2021

INTRODUCTION

81. This report sets out the expected treasury operations for this period, linked to the Budget, Financial Plan and Capital Programme. It is inextricably linked to delivering the Authority's aims and objectives. It contains four key legislative requirements:

- (a) The Treasury Management Strategy Statement which sets out how the Authority's treasury service supports capital decisions, day to day treasury management and the limitations on activity through treasury prudential indicators. The key indicator is the Authorised Limit required by S3 of the Local Government Act 2003 and is in accordance with the CIPFA (The Chartered Institute of Public Finance & Accountancy) Codes of Practice.
- (b) The reporting of the prudential indicators for external debt and the treasury management prudential indicators as required by the CIPFA Treasury Management Code of Practice.
- (c) The investment strategy which sets out the Authority's criteria for choosing investment counterparties and limiting exposure to the risk of loss. This strategy is in accordance with the Ministry of Housing, Communities and Local Government (MHCLG) Guidance on Local Government Investments. It is proposed to maintain the Authority's minimum long term credit rating requirement of Fitch A- or equivalent.
- (d) The Authority's Minimum Revenue Provision (MRP) Policy, which sets out how the Authority will pay for capital assets through revenue each year as required by Local Authorities (Capital Finance and Accounting) Regulations 2008, (Section D of this report).

Updated Treasury Management and Prudential Codes have recently been released that include a requirement to produce a Capital Strategy, this has been built into section C of this report.

PROPOSED STRATEGY

82. The above policies and parameters provide an approved framework within which the Officers undertake the day to day capital and treasury activities. The Authority is recommended to approve each of the key elements contained within this report which are :-

- The Treasury Management Strategy 2020/2021.
- The External Debt and Treasury Management Prudential Indicators and Limits for 2020/21 to 2022/2023.
- The Investment Strategy 2020/2021.
- The Minimum Revenue Provision (MRP) Statement included in section D which sets out the Authority's policy on MRP.

TREASURY MANAGEMENT STRATEGY

83. The suggested strategy for 2020/2021 in respect of Treasury Management is based upon treasury officers' views on interest rates supplemented by leading market forecasts. The strategy covers:-

- prospects for interest rates;
- capital borrowing and debt rescheduling;
- annual investment strategy;
- external debt prudential indicators;
- treasury management prudential indicators;
- performance indicators;
- treasury management advisers.

Each of the above is now considered in more detail below:

(a) PROSPECTS FOR INTEREST RATES:

The Bank of England Monetary Policy Committee (MPC) increased the base rate by 0.25% to 0.75% at its meeting on 2 November 2018. This was the first time the base rate has been increased above 0.5% since the base rate was reduced to the historically low level in March 2009 as part of the monetary policy response to the financial panic of 2008. The MPC has since then put any further action on hold, probably until such time as the fog of Brexit clears and there is some degree of certainty of what the UK will be heading into. There has been some recent speculation of a possible cut in the Bank Rate, as a response to recent inflation statistics that have been lower than the market expectation.

PWLB rates and gilt yields have continued to experience exceptional levels of volatility linked to geo-political, sovereign debt crisis and emerging market developments. Following a decline in gilt yields over the summer months, on the 9th October 2019 HM Treasury suddenly announced that with immediate effect the PWLB margin above UK gilts would be increased from 80 bps to 180 bps. This announcement increased the borrowing costs on newly arranged loans from PWLB by 1%. At the same time the Treasury increased the lending limit of the PWLB from £85bn to £95bn. There has been speculation that the increase in rate was designed to halt the pace at which the new limit would be reached following record levels of new loan issuance by the PWLB in the months of August and September.

The overall structure of interest rates has for some time meant that short term rates have remained lower than long term rates. In this scenario, the strategy will continue to be to reduce investments and borrow for short periods and possibly at variable rates when required. However, this needs careful review to avoid incurring higher borrowing costs in the future when the Authority may not be able to avoid new borrowing to finance capital expenditure and/or refinance maturing debt.

(b) CAPITAL BORROWING AND DEBT RESCHEDULING:

The borrowing requirement comprises the expected movements in the Capital Financing Requirement and reserves plus any maturing debt which will need to be re-financed. The Authority does not envisage that any new long term borrowing will be required in 2020/2021. Given the likely structure of interest rates described above, it is envisaged that any borrowing to meet short term cash flow shortages will be for very short periods. Against this background, Treasury Officers will monitor the interest rate market and adopt a pragmatic approach to any changing circumstances.

Rescheduling of debt is the early repayment of loans and replacement by loans for different periods and at different interest rates. It can be used to enhance the balance of the long term portfolio, by for example, amending the maturity profile or changing volatility levels and may on occasion generate cash savings. Debt rescheduling becomes more beneficial when the relationship between short and long term rates moves appreciably.

Current PWLB lending terms have severely constrained the option to generate savings via debt rescheduling. A significant rise in long term interest rates is required before rescheduling of debt is viable. However, interest rate structures will be continually monitored for opportunities to generate savings from debt rescheduling. Any rescheduling that takes place will be reported to Members in monitoring reports.

(c) ANNUAL INVESTMENT STRATEGY

The primary purpose of the Annual Investment Strategy is to set out the policies for managing investments giving priority to the security and liquidity of the Authority's investments. It also contains the policy on the use of credit ratings and credit ratings agencies, procedures for determining and limiting the use of higher risk investments and the use of external advisors.

The Authority's investment priorities are (a) the security of capital and (b) liquidity of its investments. The Authority will aim to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity. All investments will be in sterling. All cash balances will be invested in accordance with the Code of Practice and with regard to the statutory guidance.

A counterparty list of institutions with which the Authority will invest shall be maintained by reference to the criteria set out below for the different categories of institution and their credit rating. Regardless of these criteria, the money market will be closely monitored and any institution will be suspended from the counterparty lending list should any doubts arise concerning its financial standing. Under the guidance, investments fall into two separate categories, either specified or non-specified investments.

Specified Investments: - Specified investments offer high security and high liquidity and satisfy the conditions set out below:

- The investment is denominated in sterling and any payments or repayments in respect of the investment are payable in sterling only.
- The investment is not a long-term investment (has a maturity of less than one year).
- The investment does not involve the acquisition of share capital in any corporate body.
- The investment is made with a body or in an investment scheme which has been awarded a high credit rating by a credit rating agency, or with the UK Government or a local authority.

Specified investments will comprise the following institutions: -

- The UK Government (such as the Debt Management Account deposit facility, UK Treasury Bills or a Gilt with less than one year to maturity).

- Supranational bonds of less than one year's duration.
- UK Local Authorities.
- Money Market Funds.
- Ultra-Short Duration Bond Funds.
- UK Banks.
- Foreign banks registered in the UK.
- Building Societies.

Credit Rating Criteria: - The Authority will invest with UK institutions or non-UK institutions that are domiciled in a country which has a minimum Sovereign long term rating of "AA". The institution must have a high credit rating assigned by any of the three credit ratings agencies (Fitch, Moodys and Standard & Poors). To be deemed highly rated the institution must satisfy at least the minimum of the following Fitch (or equivalent) criteria:

Long term credit rating A-

If any of the agencies assigns a rating lower than the Fitch minimum (or equivalent) to an institution then the Authority will not invest with that institution.

In addition, the Authority will use institutions that are part nationalised UK banks.

Regardless of the credit rating assigned to an institution or whether it is covered by a guarantee, if any doubt over its financial standing exists then that institution is removed immediately from the counterparty lending list.

Investment Limits: - The credit ratings and individual limits for each institution within the categories of investments to be used by the Authority in 2020/2021 are as follows:

UK Government (including gilts and the DMADF)	Unlimited
UK Local Authorities (each)	Unlimited
Part Nationalised UK banks	£4m
Money Market Funds (AAA rated)	£3m
Enhanced Money Market (Cash) Funds (AAA rated)	£3m
Ultra-Short Duration Bond Funds (AAA rated)	£3m
UK Banks and Building Societies (A- or higher rated)	£2m
Foreign banks registered in the UK (A or higher rated)	£2m

No limits on investments with the UK Government and Local Authorities have been set because they are considered to be of the highest credit quality and are essentially risk free. The limits placed on other categories reflect some uncertainty and marginally higher risk profile of the institutions within those categories. The status of Royal Bank of Scotland as a part nationalized bank is unlikely to change for many years but Lloyds Bank is likely to be re-privatised in the near future so will revert to the lower limit of £2m alongside other UK banks. Money Market Funds although AAA rated, invest in a diverse portfolio so are not completely risk free and have been assigned a lower limit. There is a slightly higher risk for A- rated banks as described in the paragraph on Security below and so these institutions have the lowest limit.

Ways to increase investment returns have been considered including (a) reducing the minimum credit rating criteria from A- to BBB; (b) increasing the limits with individual institutions and (c) investing for periods longer than one year. Any of these ways would involve taking on additional risk because higher investment returns can only be achieved by taking higher risks. The decision not to do this but to continue with current policies was taken in the light of the Banking Reform Act which enables the Government to force investors to take losses if a bank became insolvent. It is now unlikely that the Government would fully fund a taxpayer bail-out of a failed bank.

The maximum that may be invested with different banks that are part of the same conglomerate shall not exceed the maximum of the highest rated bank within the group. The limits may be exceeded for short periods when there are adverse conditions in the money market with the agreement of the Director of Finance, Head of Finance or Treasury Manager.

Non-Specified Investments: - Non-specified investments do not, by definition, meet the requirements of a specified investment. The Ministry of Housing, Communities & Local Government (MHCLG) guidance requires that greater detail is provided of the intended use of non-specified investments due to greater potential risk. The following types of non-specified investments may be used.

- Deposits with the Authority's own banker shall be unlimited for transactional purposes and to allow for unusual cash flow circumstances.
- Deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment) with any bank or building society that meets the credit rating criteria above.
- Building societies which do not meet the normal credit criteria but are one of the top ten building societies, determined by asset size. Those societies that are within the top ten but do not have an agency determined credit rating shall have an individual limit of £1m. Building Society rankings are checked annually with the Building Societies Association.

Risk Management of Investment Counterparties: - Bank and Money Market Fund ratings are checked daily. The Authority is alerted by e-mail when there is an amendment by any of the agencies to the credit rating of an institution. If an amendment means an institution no longer meets the Authority's minimum requirement, or any doubt over its financial standing exists, then that institution is removed immediately from the counterparty lending list. Conversely, an institution may be added to the list should it achieve the minimum rating.

Credit ratings are only the starting point when considering credit risk. The Code of Practice requires the Authority to supplement credit rating information with additional operational market information which will be applied before making any specific investment decision from the agreed pool of counterparties. Credit Default Swaps and negative rating watches/outlooks are examined and the financial press, internet and financial information systems are monitored for market information regarding its counterparties. It also receives daily e-mails from various market participants that

could identify potential problems. Any information that casts doubt on an institution's creditworthiness is acted on by suspending investment with that institution.

Liquidity of Investments:- Each investment decision is made with regard to cash flow requirements resulting in a range of maturity periods within the investment portfolio. Investments are normally short term having a maturity of less than one year. The Prudential Code does allow longer term investments and under certain money market conditions it may be prudent to invest for up to three years dependent on cash flow forecasts.

Risk Benchmarking:- The CIPFA Codes and the MHCLG Investment Guidance recommend the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance. Security and liquidity benchmarks were new requirements introduced in 2018/19, and the application of these is more subjective in nature. The benchmarks are simple guides to maximum risk and so may be breached from time to time depending on movements in interest rates and counterparty criteria. The purpose of them is for officers to monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the Mid-Year or Annual Report.

Security:- Security is currently evidenced by the application of minimum credit quality criteria to investment counterparties, primarily through the use of credit ratings. A method to benchmark security risk is to assess the historic level of default against the minimum criteria used in the Authority's investment strategy. The Authority's minimum credit rating criteria is "A-". The average expectation of default for a one year investment in counterparty with an "A-" long term rating is 0.10% of the total investment. The inclusion of unrated Building Societies raises this factor to 0.14% e.g. for a £1m investment the average loss would be £1,400. This is only an average and any specific counterparty loss is likely to be higher but these figures do act as a proxy benchmark for risk across the portfolio. The Authority's maximum security risk benchmark of 0.14% is embodied in the criteria for selecting cash investment counterparties and will be monitored and reported to Members.

Liquidity:- The Authority seeks to maintain liquid short term deposits of at least £1 million available daily.

Yield:- The Authority's benchmark for investment returns is the 7 day LIBID rate.

Reporting Arrangements:- The Investments Strategy forms part of the Treasury Management Strategy which is referred to Policy and Resources or Audit Committee for monitoring. An interim report is produced during the year and a final annual report by 30th September following the end of a financial year.

(d) EXTERNAL DEBT PRUDENTIAL INDICATORS:

The Prudential Code requires the following external debt indicators of prudence:

- Authorised limit for external debt
- Operational boundary for external debt

Authorised Limit: The Authorised Limit for Debt represents the maximum level of debt which the Authority may have during the year. The Authority has no powers to exceed this unless a further report with revised prudential indicators is approved by the Authority. The limit therefore makes appropriate allowance for the risks and uncertainties which affect day-to-day debt levels, and the ups and downs of short term cash flow.

The authorised limits reflect the Authority's Capital Financing Requirement, identified in its capital expenditure and financing plans. They are consistent with the treasury management policy statement and practices. The limit will ensure that total gross debt does not exceed the total of the CFR in the preceding, current or following two financial years. The Authority is asked to approve the limits below and to delegate authority to the Director of Finance, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long term liabilities.

Authorised Limit for External Debt		2020/21	2021/22	2022/23
		£'000	£'000	£'000
Gross Borrowing		46,000	46,000	47,000
Other Long Term Liabilities		18,000	18,000	18,000
TOTAL		64,000	64,000	65,000

Operational Boundary: The Operational Boundary indicator represents the expected maximum debt position during each year. It takes into account projections of borrowing requirement and repayments in future years. It may be different from the year end position as it reflects cash flows within each year. The Authority is asked to approve the limits and to delegate authority to the Director of Finance, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long term liabilities.

Operational Boundary for External Debt		2020/21	2021/22	2022/23
		£'000	£'000	£'000
External Borrowing		40,000	40,000	50,000
Other Long Term Liabilities		18,000	18,000	18,000
TOTAL		58,000	58,000	68,000

Actual External Debt: The prudential indicator for actual external debt considers a single point in time and hence is only directly comparable to the authorised limit and operational boundary at that point in time. Actual external debt is monitored during the year against the limits. It is forecast to be £37.3 million at 31st March 2020.

The figure for actual borrowing in recent years has been below the capital financing requirement. In an environment of extremely low interest returns, treasury officers have adopted a strategy whereby the Authorities' capital borrowing need has not been fully funded by external debt, but rather cash supporting the Authorities usable reserves and working capital has been used as a temporary funding measure in lieu of external borrowing. Internal borrowing by its very nature is a temporary measure to contain interest costs in the short term, however the approach does involve an element of interest rate risk given that it postpones the point at which long term borrowing costs are fixed. The following table demonstrates the estimated use of internal borrowing over the budget period, though actual borrowing decisions will be significantly influenced by expectations regarding movements in interest rates.

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	£'m	£'m	£'m	£'m	£'m	£'m
Capital Financing Requirement	55.5	63.0	63.3	63.3	61.0	59.7
Less: PFI	(17.8)	(17.3)	(16.9)	(16.4)	(15.8)	(15.2)
Less:MRD	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	(0.0)
Borrowing CFR	37.5	45.5	46.2	46.8	45.1	44.5
Existing Debt Portfolio	37.3	36.9	37.9	41.7	44.7	45.7
Over(-)/Under borrowing	0.2	8.6	8.3	5.1	0.4	(1.2)
Borrowing as a % of CFR	99.5%	81.1%	82.0%	89.1%	99.1%	102.7%

(e) TREASURY MANAGEMENT PRUDENTIAL INDICATORS:

The Treasury Management Code requires the following Treasury Management indicators of prudence:

- Upper limit on fixed interest rate exposures;
- Upper limit on variable interest rate exposures;
- Upper and lower limits for the maturity structure of borrowing;
- Total principal sums invested for periods longer than 364 days.

Interest Rate Exposures: It is recommended that the Authority sets upper limits on its fixed and variable interest rate exposures as a percentage of its net outstanding principal sums as follows: -

Upper Limits on Interest Rate Exposures		2020/21	2021/22	2022/23
		%	%	%
Fixed		100	100	100
Variable		50	50	50

This means that the Director of Finance will manage fixed interest rate exposures within the range 50% to 100% and variable interest rate exposures within the range 0% to 50% for 2020/2021.

Maturity Structure of Borrowing: It is recommended that the Authority sets upper and lower percentage limits for the maturity structure of its borrowings as follows. Percentage of projected fixed rate borrowing that is maturing in each period:

	Upper Limit	Lower Limit
Under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	50%	0%
10 years and above	95%	0%

Total Principal Sums Invested for Periods Longer than 364 Days: It is recommended that the limit for investments of longer than 364 days be set at £2 million for each of the years 2020/2021, 2021/2022 and 2022/2023.

(f) PERFORMANCE INDICATORS

The Code of Practice on Treasury Management requires the Authority to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators, which are predominantly forward looking.

The Authority will maintain performance indicators for borrowing and investment, although it must be stressed that the pursuit of higher performance shall not be at the expense of taking undue risks. The indicators for the treasury function are:

- Borrowing – Average rate of borrowing for the year compared to average available.
- Investments – Internal returns compared to the 7 day LIBID rate.

The results of these indicators will be reported in the Treasury Management Monitoring and Annual Reports.

Training - CIPFA’s Code of Practice requires the Director of Finance to ensure that members with responsibility for treasury management receive adequate training in treasury management.

(g) TREASURY MANAGEMENT ADVISORS

The Treasury Management service is provided to the Authority by Liverpool City Council. The terms of the service are set out in an agreed Service Level Agreement. The Council employs treasury management advisers appointed under a competitive procurement exercise who provide a range of services which include:

- Technical support on treasury matters and capital finance issues.
- Economic and interest rate analysis.
- Debt services which includes advice on the timing of borrowing.
- Debt rescheduling advice surrounding the existing portfolio.

- Generic investment advice on interest rates, timing and investment instruments.
- Credit ratings/market information service comprising the three main credit rating agencies.

Whilst Liverpool City Council and its advisors provide the treasury function, the responsibility for any decision on treasury matters remains with the Authority.

(G) REVENUE FORECASTS 2020/2021 – 2024/2025

84. The Authority has in recent years maintained a robust medium term financial plan, MTFP. The plan is fully reviewed on an annual basis and monitored and reported on a quarterly basis through the financial review reports to Members. This section of the report will develop a financial forecast for the Authority based upon the latest information. It will:-
- Outline the historical background to the current financial plan,
 - Outline the underlying assumptions to support forecast,
 - Outline any movement since the previously approved financial plan.
85. Following the financial crisis of 2008 the Government implemented a programme of austerity that resulted in significant reductions in Government grant funding for the Authority since 2010/2011. The cumulative percentage reduction in Government revenue support for the Authority between 2010/2011 (£46.3m) and 2019/2020 (£30.8m) equated to a 33% cash reduction or approximately 50% in real terms. That resulted in unavoidable reductions in the front line operational services over this period.
86. The 2019/2020 MTFP approved at the Budget Authority meeting on 28th February 2019 delivered, based on the information at that time, a **balanced financial position up to 2020/2021**. The structural changes required to sustain the approved saving within that plan have all been actioned bar the final station merger proposal, but this should be completed following the opening of the new St Helens fire station towards the end of 2020. As significant uncertainty existed over future Government funding and future cost increases from 2020/2021 Members were simply asked to note any financial challenges beyond 2020/2021, and deal with any challenge once future funding became clearer.
87. The current plan assumptions, that delivered a balanced 2020/2021 financial position, were considered by Members at the January 2020 budget strategy day. The following paragraphs summarise the key assumptions and approved amendments by Members at the Strategy day:-
88. **Inflation - Pay & Prices Changes:-**
The current plan included a provision for 2% p.a. pay and 2% p.a. for general price increases.

In light of some 2019/2020 public sector pay awards being above 2% and growing pressure from staff to offer higher awards, Members agreed to support the proposal from the Director of Finance to increase the 2% p.a. annual pay award assumption to 2.5% for the proposed new MTFP. This would increase annual employee costs by £0.240m in a full year (the firefighter pay award effective date is the 1st July).

The proposed plan has not changed the current assumption for future price increases of 2% p.a.

The proposed plan also assumes that Members will continue with their commitment to reduce their own costs (previously Members made reductions in allowances of £24,000) and the plan once again assumes a freeze in Member allowances for the twelfth consecutive year.

89. Pensions:-

Local Government Pension scheme (LGPS):-

- The scheme is required to undertake an **actuarial review** every 3 years. Such a review was carried out in 2019. The review requires an increase in employer future service rates of 2.3%, from 15.2% to 17.5%, with effect from April 2020 adding £0.250m p.a. to the pay bill. The current MTFP had taken this rate increase into account. In addition the rate increase includes an estimate for the impact of any remedy associated with the McCloud case, which challenged the protection offered to some members of the scheme when the new LGPS was introduced in 2014, and was found to be age discriminatory.
- As well as paying an employer contribution to cover the cost of future benefits, the Authority must make good any **deficit in historic contributions**, currently £0.9m p.a. The fund's deficit position can change with each actuarial review as the funds assets and liabilities can go up and down. The 2019 Actuary review has now established the fund is 100% funded. The current MTFP had assumed this would be the case and used the freed-up budget to fund a £1m re-investment back into the frontline.
- Merseyside Pension Fund (MPF) have offered the Authority a small discount IF 80% of the 2020/2021 – 2022/2023 **forecast employer future service contributions** are paid in advance in 2020/2021. The Director of Finance is in discussions with the Auditor and legal experts to validate if this option is allowable, and if it is would recommend that the Authority accept the offer. The discount would equate to a total £0.2m discount over the 3 year period but would require a £2.3m upfront payment for 2021/22 – 2022/2023. This would be funded on a temporary basis from reserves, which would then be refunded over the relevant period. **Members are asked to delegate the authority to the Director of Finance to take up this option if the advice from the Auditor and legal professionals is that it is allowable.**

Firefighter Pension Scheme(s):-

- **Reduction in the Government discount rate from 2019/2020:-** In March 2016 the then Chancellor announced in the Government's 2016 Budget statement a reduction in the discount rate to be used in valuations of unfunded public service pension schemes with effect from 2019/2020. A reduction in the discount rate has the effect of increasing the cost of future benefits and therefore increasing the total contribution required from employers. Members approved the 2019/2020 MTFP at the Budget Authority meeting on 28th February 2019, and at that time the Government had yet to announce the impact this would have on the various FPS(s), the plan had used the LGA assumption that the "average" increase would be +12.6% or +£2.8m p.a. The Government was expected to fund 90% or £2.6m of the additional cost in 2019/2020 only with future years funding being considered as part of the comprehensive spending review. The current plan assumed that the funding would reduce from the 2019/2020's 90% grant funding level to 75% or £2.1m.

The Authority received a letter from the Home office in March 2019 that advised that the employer rate would actually be increased by 14.5% and 15.6% for the 2015 FPS and 1992 FPS respectively, resulting in an overall increase in the employer cost of £3.210m, an additional £0.410m in 2019/2020. The Director of Finance challenged the Home Office over the level of grant support and successfully got the Home Office / Treasury to increase the grant by £0.433m to £3.025m. The Home Office have confirmed that the grant funding will continue at the 2019/2020 level for 2020/2021 only. Funding beyond that will be considered as part of CSR 2020 and will not be known until at least December 2020. **The proposed plan will build in the actual costs associated with the known FPS(s) employer rates and assume grant funding will continue at the 2019/2020 level for the MTFP period.**

- **McCloud** - The FBU made a legal challenge in relation to the way the Government implemented the 2015 FPS as a result the transitional protection arrangements introduced with the 2015 FPS were deemed unlawful and discriminatory on grounds of age. Currently the impact on MTFP of any remedy is unknown as only an interim announcement has been made. The current and proposed MTFP have made **NO** provision for any potential cost associated with this issue, as it is hoped the Government would fund any remedy and compensation payments. Later on in this report Members are advised on the proposed committed reserves within the plan, of which £2.000m has been earmarked within a smoothing reserve. IF any McCloud costs fall on the Authority in 2020/2021, the smoothing reserve will provide a temporary resource and the matter will be considered as part of the 2021/2022 budget process.

90. **Review of Approved Saving Options**

All savings have been delivered, however the structural establishment changes required as part of the station merger initiative will not be formally implemented until the new fire station at St Helens has been built (October / November 2020). The required firefighter saving is being delivered in cash terms as the reduction in the number of firefighters has been achieved.

91. **Revenue Growth**

The current plan assumed no future unavoidable growth requirements. The CFO and SLT have identified a number of unavoidable growth issues totalling £0.674m. Over 50%, £0.365m of this is to reduce current income budgets to the current income attainment levels for: secondment (£0.200m); TDA commercial (£0.070m); workshops (£0.050m) and Marine 1 (£0.045m) services. Investment required to upgrade current ICT applications, £0.084m; equality, staff and consultation initiatives, £0.058m; funding job evaluation reviews, £0.075m; and the cost of outsourced contract uplifts, £0.092m make up the balance. The proposed MTFP now includes these unavoidable uplifts.

92. **Cost of Capital Borrowing**

The plan also takes into account the proposed MRP policy discussed previously in section D. The MRP policy in this report sets a strategy of using any one-off savings or resources to make additional MRP payments with the view of freeing-up debt servicing budget in the near future to re-invest in frontline services. As a result of one-off funding increases, see further on regarding the collection fund(s) position, £0.224m funding is available. The proposed MTFP assumes this will be used to fund an additional MRP payment in 2020/2021.

93. **Firefighter Recruitment**

The Authority established a £3m firefighter recruitment reserve to fund firefighter recruitment ahead of expected retirements to ensure sufficient competent firefighters were available to staff appliances. The current MTFP anticipates a drawdown from the reserve each year to cover the employee costs of these additional staff above the establishment. In 2019/2020 and previous years the Service has managed to fund this cost from within the existing employee budget as firefighters have left earlier than expected, staff have left the service or are not at the top of their grade. The proposed plan removes from 2020/2021 and future years the planned use of the reserve and instead the reserve will be drawdown when actual levels of spend require additional funding.

Resources Available:-

94. The Authority has two main sources **Government Funding** and **Council Tax**.

Government Funding:-

95. In 2013/2014 the Government reformed the Fire and Local Government funding system and introduced the 50% Business Rates Retention scheme. The new system provides support in the form of a Revenue Support Grant (RSG) and Business Rates Baseline Funding (made up from local business rates and a top-up grant). The Government has delivered the reductions in support for local authorities and fire and rescue authorities by reducing RSG.

The Government have announced a one year 2020/2021 settlement, the Settlement Funding Assessment (**SFA**), for the Authority. The actual SFA is marginally higher than the estimated figure by £0.040m as the uplift is 1.6%, 0.1% above that assumed. In addition the SFA includes a forecast of the Authority's local business rates share, however based on the Merseyside district council local business rates forecasts for 2020/2021 the Authority will receive an additional £0.139m above the amount estimated in the SFA.

The proposed plan attempts to forecast future Government support beyond 2020/2021 however, it is very challenging to forecast with any certainty the likely levels of support beyond 2020/2021. That being said the plan assumes a 1.0% increase in the SFA on the basis the baseline element of the SFA, business rates, would go up by the September CPI increase each year. This is a reduction on the current plan's 1.5% assumption as the Government has identified other public sector services as its priority. In addition the National Fire Chiefs Council and Home Office will need to identify to the Treasury spending pressures within the fire and rescue services to justify any significant increase in departmental spending levels. The Government has also reviewed the Fair Funding system, Business Rates retention system and may carry out a full reset of the current business rates base, and these may all impact on the Authority's future share of Government funding. For all these reasons it is difficult to forecast the future SFA support and a 1% uplift assumption may be more realistic. It is hoped that the CSR 2020 will announce a multi-year settlement to aid planning for the future resource availability.

96. **Council Tax income –**

The current plan assumed a Council Tax Base Increase of 1% for 2020/2021 and 2021/2022. The actual increase in 2020/2021 was +1.7%, and the proposed plan now incorporates this increase and extends the assumption of a 1% tax base increase in each year of the plan. The 2020/2021 Tax Base increases were:-

District	2019/20 Council Tax Taxbase	2020/21 Council Tax Taxbase	Variance	
LIVERPOOL	105,960.17	109,011.69	3,051.52	2.88%
WIRRAL	93,497.80	93,965.90	468.10	0.50%
ST.HELENS	51,317.00	52,272.00	955.00	1.86%
SEFTON	84,077.30	84,904.40	827.10	0.98%
KNOWSLEY	35,822.00	36,755.00	933.00	2.60%
	370,674.27	376,908.99	6,234.72	1.68%
2019/20 Band D Tax Level	78.84	78.84		
Total Income £	29,223,959	29,715,505	491,545	1.68%

This means that for each £1 of Council Tax the level of income will be greater than that generated in 2019/2020 by £6,234.72. The result of this is that the income from the current level of Council Tax is anticipated to be higher by £0.492m (this is assumed to be a permanent increase). The current plan had assumed a 1% or £0.292m increase, therefore the actual increase has resulted in additional tax income of £0.200m.

The Government has announced that for 2020/2021 the maximum level of increase in Council Tax before holding a referendum will be **just under 2%**. The current and proposed MTFP assumes that Members will uplift the Precept by the referendum limit of just under 2% in 2020/21 and each year after that. A just under 2% (1.98%) increase for 2020/2021 will see the Band D precept increase from £78.84 to £80.40, an increase of £1.56. The precept increase will raise an additional £0.588m in 2020/2021.

Council Tax Increase			
	0%	1.98%	Change
Band D Tax	78.84	80.40	1.56
LIVERPOOL	8,594,482	8,764,540	170,058
WIRRAL	7,408,272	7,554,858	146,586
ST.HELENS	4,121,124	4,202,669	81,545
SEFTON	6,693,863	6,826,314	132,451
KNOWSLEY	2,897,764	2,955,102	57,338
	29,715,505	30,303,483	587,978

Each billing authority maintains a collection fund account to which any surplus or deficit in the actual collected council tax or local business rate income to that assumed in the budget is charged. The Districts of Merseyside have reviewed their collection funds and identified the proportion of any surplus or deficit attributable to the Authority. The results are set out in the tables below and show a net surplus of £0.224m. This impact is a one-off.

District	2019/20 Council Tax Coll fund deficit/ (surplus)	District	2019/20 NDR Coll fund deficit/ (surplus)	District	2019/20 Coll fund deficit/ (surplus)
	£		£		£
LIVERPOOL	-39,931	LIVERPOOL	-41,624	LIVERPOOL	-81,555
WIRRAL	-82,080	WIRRAL	-1,767	WIRRAL	-83,847
ST.HELENS	-18,924	ST.HELENS	-44,929	ST.HELENS	-63,853
SEFTON	98,306	SEFTON	-6,161	SEFTON	92,145
KNOWSLEY	-43,000	KNOWSLEY	-44,227	KNOWSLEY	-87,227
	-85,629		-138,708		-224,337

OVERALL IMPACT

97. The overall impact of all these changes to the 2019/2020 MTFP is that the Authority maintains a balanced position for 2020/2021, but faces a potential financial challenge of **£0.760m in 2021/2022** rising to **£1.491m by 2024/2025**.

98. Summary of changes:-

Proposed Amendments to Current 2019/2020 MTFP					
	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
2019/20 MTFP forecast position	0	0	295	378	378
Budget Requirement					
Reflect known Firefighter Pension Rates / Grant per HO	-515	-515	-515	-515	-515
Increase 2020/21 & Future yrs Pay Award from 2% to 2.5%	197	437	677	917	1,157
New Year, 2024/25, Inflation Provision					1,200
Unavoidable Growth	674	919	991	991	991
Additional MRP	224				
Overall increase	580	841	1,153	1,393	2,833
Funding					
Government Funding-Settlement Funding Assessment:					
Known 2020/2021 funding (increase to that in MTFP)	-40	-40	-40	-40	-40
Future SFA increase of +1% p.a, previously +1.5%.	0	156	316	481	481
New Year SFA for 2024/2025					-323
Adjustment for Business Rates based on District Forecasts					
Adjustment for Business Rate income forecast from Districts	-118	0	0	0	0
NNDR Collection Fund (surplus)/deficit	-139	0	0	0	0
Council Tax -					
Increase in 2020/2021 Tax Base above 1% in current MTFP	-200	-204	-208	-212	-212
Assume Increase in Base of 1%, previously up to 2021/22			-312	-633	-633
Increase in Tax Base of 1% new year, 2024/2025					-331
Amend Precept increase from 2% to 1.98% from 2020/21 net impact	3	7	7		
Precept increase of 1.98% new year, 2024/2025					-662
Council Tax Collection Fund (surplus)/deficit	-86	0	0	0	0
Overall increase	-580	-81	-237	-404	-1,720
Assumption / Known changes impact on 2020/2021 MTFP	0	760	916	989	1,113
Overall 2020/2021 MTFP Forecast (Surplus) / Deficit	0	760	1,211	1,367	1,491

99. As the updated MTFP results in a balanced financial position for 2020/2021 Members do not need to consider options for additional savings in 2020/2021, subject to the key assumptions, particularly 2020/2021 annual pay awards remaining robust.

100. The Government has reviewed the way it assess relative need (fair funding review) and the funding arrangements for fire and local authorities (75% Retained Business Rates) and both these reviews may impact on the allocation of funds to MFRA within the CSR2020. That being said an attempt has been made to prepare a MTFP for the next five years up to 2024/2025. The updated financial plan is outlined in the table overleaf:-

2020/21 - 2024/25 FINANCIAL PLAN

	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
2019/20 MTFP	61,381	62,759	64,150	65,350	65,350
New Issues Identified In 2019/20:-					
Revised FPS Employer Rates / Grant Announced by HO:-	-515	-515	-515	-515	-515
Increase 2020/21 & Future yrs Pay Award from 2% to 2.5%	197	437	677	917	1,157
2024/25 Inflation Provision					1,200
Unavoidable Growth	674	919	991	991	991
Additional MRP	224				
Recruitment reserve & drawdown based on actuals in year					
Employee Budget	-250	-750	-200	-200	0
Recruitment Reserve	250	750	200	200	0
	580	841	1,153	1,393	2,833
UPDATED MTFP Budget Requirement	61,961	63,600	65,303	66,743	68,183
FUNDING					
Government Funding-Settlement Funding Assessment:					
Top Up Grant .	-15,840				
CLG Estimate of Local Business Rate Share	-4,296				
Baseline Funding Level	-20,136				
RSG	-11,179				
	-31,315	-31,315	-31,628	-31,944	-32,263
Assume future SFA increase of +1% p.a.		-313	-316	-319	-323
Settlement Funding Assessment	-31,315	-31,628	-31,944	-32,263	-32,586
Adjustment for Business Rates based on District Forecasts					
Adjustment for Business Rate income forecast from Districts	-118	0	0	0	0
NNDR Collection Fund (surplus)/deficit	-139	0	0	0	0
Adjustment to Local Business Rates income forecast	-257	0	0	0	0
Council Tax -					
Base Precept Income	-29,223	-30,303	-31,212	-32,148	-33,114
Assume increase in Council Tax Base of 1.0% p.a. from 2021/22	-492	-303	-312	-322	-331
Assume a Precept increase of just under 2% (1.98%) from 2021/	-588	-606	-624	-643	-662
Council Tax Collection Fund (surplus)/deficit	-86	0	0	0	0
Forecast Council Tax Income	-30,389	-31,212	-32,148	-33,113	-34,107
TOTAL FUNDING	-61,961	-62,840	-64,092	-65,376	-66,693
Forecast (Surplus) / Deficit	0	760	1,211	1,367	1,490

101. The Government's comprehensive spending review 2020 (CSR2020) will provide some certainty around future funding as it is expected to announce a multi-year settlement for two to four years (2021/2022 up to possibly 2024/2025) in early December 2020.

102. At the Budget Strategy day Members were advised that in order to tackle any potential financial challenges as a result of:

- CSR 2020 funding cuts, and/or
- The need to fund new investments in infrastructure (new fire stations, a new training centre etc), and/or
- Unavoidable cost pressures (the McCloud remedy), and/or
- Actual costs exceeding the MTFP assumptions,

The CFO and SLT would consider options during 2020 to bring back to Members during the 2021/2022 budget process for consideration.

103. The next section considers the process of identifying new saving options for 2021/2022 and future years IF required.

(H) Options for Tackling the Future Financial Challenge (2021/22 – 2024/25)

104. The Budget Authority on the 28th February 2019, CFO/009/19, approved saving options to deal with the expected financial challenge in 2020/2021. Section G of this report has updated members on any changes to the approved plan and **confirmed that the proposed plan for 2020/2021 maintains a balanced position.**
105. To assist with the Authority's long term financial planning a five year plan has been prepared that extends the current approved plan up to and including 2024/2025. As the level of uncertainty over future costs and funding is significant beyond 2021/2022, particularly regarding the level of future Government support, Members are asked to simply note any financial challenge at this point. Future Budget Authority meetings will consider the challenge in and beyond 2021/2022 as the financial information becomes more certain.
106. Section G of this report indicated a potential £1.491m challenge by 2024/2025, but this is based on a number of assumptions around future cost and funding changes. Small variations in any of the key assumptions will have a material impact on the level of challenge facing the Authority. To provide some indication of this the following bullet points outline some potential scenarios and the financial implications:-
- For each additional 1% pay increase above the 2.5% assumption would increase the challenge by +£0.4m p.a. An additional 1% in each of the 5 years of the MTFP would mean a +£2m additional challenge by 2024/2025
 - If the Government withdraws the current grant that supports the additional employer cost of the firefighter pension scheme(s) following the 2016 actuarial review, that would add +£3m p.a. to the challenge.
 - The McCloud pension case may see eligible firefighters moving back from the FPS 2015 to FPS 1992 resulting in a +8.5% increase in the employer contribution rate. If this cost falls on the Authority then it may increase employer costs by +£1m p.a.
 - The CSR 2020 will establish the level of funding for the various Government Departments. If priority is given to Police, Social Care, Education etc, Fire and Rescue funding may be frozen or even reduced. The proposed MTFP assumes a +1% p.a. increase. Each 1% variation would result in a £0.3m cost / additional funding. If in each year of the CSR 2020 the cash settlement is reduced by 1%, then potentially the loss of funding could be closer to +£1.2m in real terms by 2024/2025.
 - Based on the above it is easy to see a scenario in which the financial challenge may be +£7m by 2024/2025.
107. The CFO outlined to Members at the January strategy day potential areas for future investment not currently built into the MTFP or capital programme. Significant further work is required before any of the potential investment proposals can be considered, but a new fire station would tend to cost around £5m to £6m depending on the available land. A new training academy / fire station may be at least £20m. These investments would be funded by borrowing that would result in additional debt serving costs of £1m to £2m p.a.

108. It therefore makes sense for the CFO and SLT to consider during 2020 potential options for delivering savings **IF** they were required. The rest of this section will briefly outline some of the issues any discussion would need to take account of, **BUT no formal proposals will be developed unless the CSR 2020 or other circumstances arise that necessitate savings to be identified.** Any proposals would be considered by Members as part of the future budget making process.
109. Before looking at any areas of potential savings it is important to remember that the Authority has agreed a number of Value for Money Principles that have underpinned its approach to budgets and financial plans in recent years. They are:-

Value for Money Principles (Budget Principles):

Principle 1 – Allocate resources in a way that contributes towards the achievement of MFRA’s Mission, Aims and Values

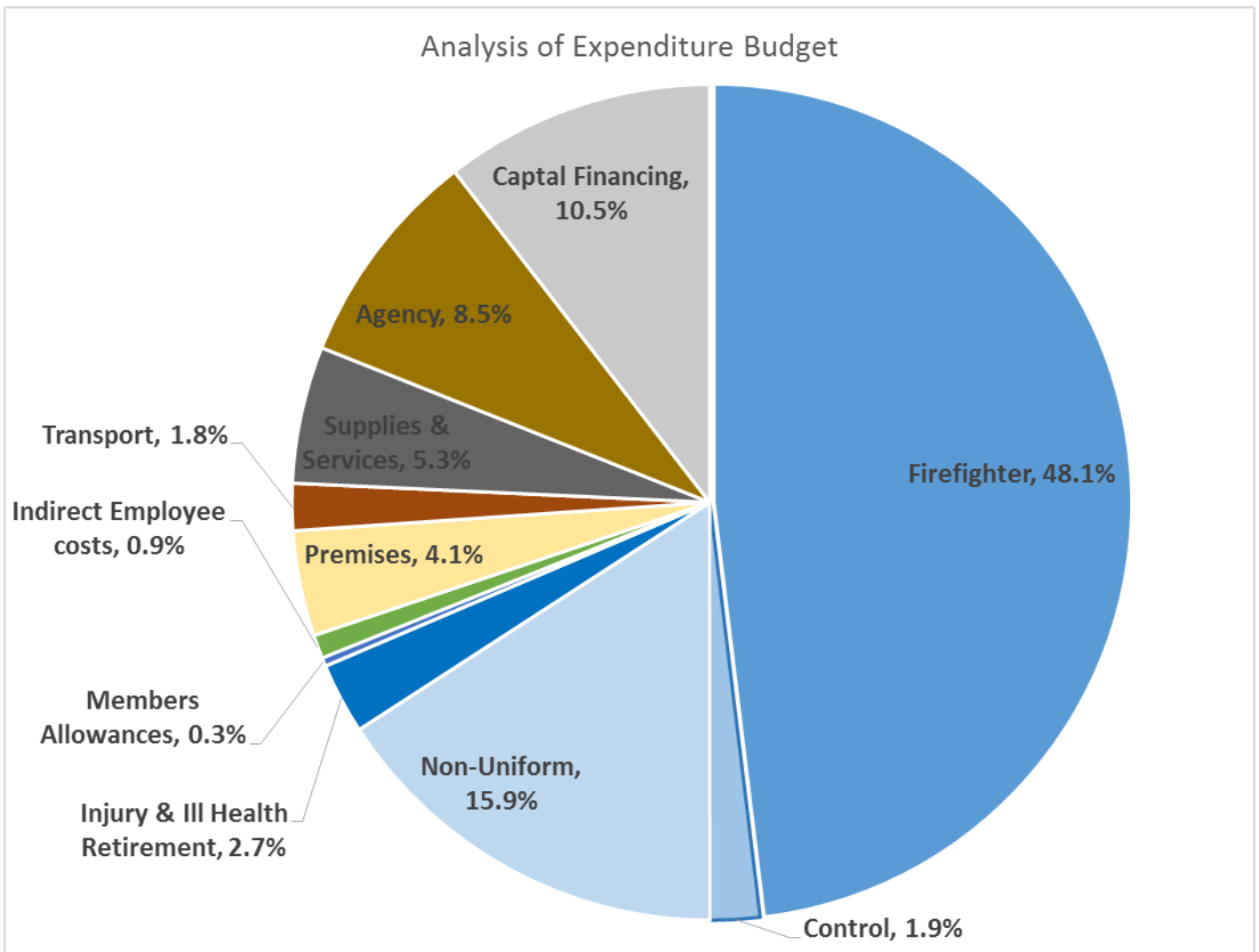
Principle 2 – To continue to seek to avoid compulsory redundancy (if possible given the difficult financial circumstances)

Principle 3 – To choose budget options which minimises negative impact on the front line services or on firefighter safety

Principle 4 – To consider budget approaches which ensure the right balance between local and national funding levels and considers the views of local people on the right level of council tax balanced against aspirations for service levels

Principle 5 – To allocate resources having considered the impact on our diverse communities and our employees.

110. In addition the Service has established a savings hierarchy that seeks to protect the front line services by looking at possible saving options in the following order of priority:-
- a. To consider technical and non-employee saving options in the first instance,
 - b. Review council tax income forecasts,
 - c. Consider savings targets as far as possible on Support and Management Costs, and finally,
 - d. Choosing efficiencies in front line staffing arrangements that minimise the impact on front line services to the public.
111. A subjective analysis of the budget requirement outlines that 70% / £53m of the expenditure budget is on employee related costs; 20% / £12m is on non-employee costs associated mainly with the provision of fire stations, firefighter vehicles, equipment / PPE, and services as ICT; and 10% / £6m for servicing historic borrowing costs associated with capital investment. The pie chart overleaf outlines the 2020/2021 subjective spend:-



112. In the first instance IF future saving are required the CFO & SLT would look at the **Non-Employee and the “Technical” budgets.**

- **Non-employee expenditure:-** Since 2010/2011 most of these budgets have been reduced or frozen at historic levels. Unless the number of fire stations, firefighters or general staff reduce significantly it is difficult to see how any material savings can be identified. That being said the CFO and SLT will go through the relevant budget lines to see if any opportunities can be identified:-
- Approximately £6m budget is earmarked for the servicing of historic debt associated with borrowing for capital investment (**Minimum Revenue Provision (MRP)**). The reality is that current and future planned capital expenditure that is funded by borrowing is putting pressure on this budget and only through good treasury management activities (using internal cash, reducing investments, making additional MRP payments whenever possible) is ensuring the MRP commitment over the MTFP period stays within the available budget. The CFO and SLT will review the proposed 5 year capital programme and consider; the asset refresh period to determine if it can be extended; specification levels; and also the necessity for scheme spend. This may reduce

borrowing requirements to allow a reduction in the MRP budget or facilitate new additional investment to modernise the Service.

- **Non-employee inflation:**– The proposed MTFP assumes that all non-employee costs will require an inflationary uplift. While some categories of spend have a specific index (utilities, business rates) most are assumed to go up by general inflation of 2% p.a. Over recent years any inflationary pressure in the first instance is expected to be covered from within the base budget and this had led to significant savings over the years. The option to continue with the practice is more difficult now but going forward the practice will continue and potentially deliver a saving.

113. **Council Tax – Precept Increase.** The MTFP assumes a just below 1.98% council tax increase for 2021/2022 and future years which is expected to be the maximum level of increase before holding a referendum. The referendum limit will not be known before the 2021/2022 local government settlement announcement in December 2020.

The Authority might consider a **higher (above 2%) Council Tax increase** in future years but this would require the Authority to hold a referendum (local vote on its proposals). There are a number of practical issues relating to a potential referendum that would make it a high risk proposition. The Authority has to meet the costs of the referendum that would need to hold one in each district and get a positive vote in each (Estimate £1m-2m). The Authority would have to meet the cost of rebilling if it were not successful (potentially as high as +£1m) and would still have to find the required savings to balance the budget. There are administrative limitations on the process and campaigning around any referendum which would limit the ability to present a comprehensive argument. There would be a substantial impact on the taxpayer.

114. **Support Services and Management Costs.** The CFO and SLT will review current staffing levels and work requirements to see if any saving can be made. It is important to remember that some of these functions; advocates; protection staff; Marine 1 are providing services that could be viewed as frontline activities. Also others provide enabling services to allow frontline staff to do their work; ICT support; workshops; procurement of goods and services etc. Therefore any reduction in the 290 FTE staff may impact on the effectiveness of frontline services.

115. **Operational Response Staff Savings.**

The current establishment of 642 FTE is at a level the CFO believes is the minimum required by the Service. The range of duty cover systems and use of retained contracts delivers one if not the most productive staffing arrangements within the UK fire and rescue service. However IF the worst case scenario for the future financial challenge does materialise the Authority may have no choice but to review the firefighter establishment. But this would be the last option to be considered.

116. Once the CSR 2020 announcement is made, December 2020, Members will be advised at the earliest opportunity on what this may mean for the Authority and the Service in future years. The work undertaken by the CFO and SLT would hopefully identify saving option proposals for Members to consider IF required.

117. The next section discusses the reserve strategy, part of which will be to provide the Authority with a temporary resource to facilitate the time required to develop plans to

meet any future challenge and implement the long term structural changes to sustain any saving requirement.

(I) ADEQUACY OF RESERVES AND BALANCES

118. Responsibilities of Chief Finance Officers - Under Part 2 of the Local Government Act 2003, the Chief Finance Officer of an Authority is now required to comment on the following matters:

- the robustness of the estimates made for the purposes of determining its Budget Requirement for the forthcoming year;
- the adequacy of the proposed financial reserves.

119. There is then a requirement for the Authority to have regard to the report of the Chief Finance Officer when making decisions on its Budget Requirement and level of financial reserves.

120. In the Authority the Chief Finance Officer is the Director of Finance. For the purposes of the Act the “financial reserves” of the Authority would incorporate Committed Reserves and Working Balances.

121. To make a final judgement on these issues it will be necessary to consider the proposed budget decisions of the Authority in the light of this budget report.

Robustness of Estimate

122. To fully satisfy the Chief Finance Officer any proposed Budget or amendment should therefore:-

- Be fully based upon the advice of Service Officers (supported by Finance Officers) – or based upon or supported by information the Chief Finance Officer considers reasonable to accept.
- Provide only for Budget proposals that are fully costed to service level and where the implications – both financial and upon service performance – are estimated and identified.
- Provide for all known future developments either through direct service Budget allocations or the establishment of specific reserves for such purposes.
- Provide for an adequate level of Balances and Reserves consistent with the requirements of any Regulation that may be committed and/or the Authority’s own risk assessment.
- Provide for the full revenue implications of the Capital Programme.
- Establish clear targets for income collection in respect of key income streams.
- Ensure there are no unidentified savings targets.
- Where appropriate ensure that the consequences of current over and under spending have been taken into account.

Adequacy of proposed Financial Reserves

123. Under the 2003 Local Government Act the Secretary of State may enact Regulations that define certain types of “controlled reserves” and the minimum level for those Reserves. At the time of preparing this report the Secretary of State has not enacted any such Regulations.

124. However, the 2003 Act still places a requirement upon the Chief Finance Officer to report if the level of reserves is likely to be inadequate. That report should contain comment upon:
- the reasons for that situation
 - the actions, if any, considered appropriate to prevent the situation arising.
125. There is then a requirement for the Authority to respond to the report when making decisions on its future financial reserves.

Fire and Rescue National Framework for England

126. The Framework requires that each fire and rescue authority should publish their reserves strategy on their website, either as part of their medium term financial plan or in a separate reserves strategy document. This section of the proposed MTFP fulfils that requirement, as it includes details of current and future planned reserve levels and it sets out a total amount of reserves and the amount of each specific reserve that is held for each year over the next 5 years.

General Revenue Reserve £3m (5% of Revenue Budget)

127. As a general rule external audit view an appropriate level for a general reserve as **5%** of the forecast Net Operating Expenditure unless the organisation had a financial risk management process operating which justified a lower level of reserves. In addition the Fire and Rescue National Framework requires a statement within the reserves strategy outlining the justification for a general reserve larger than 5%.
128. For this Authority, a 5% forecast Net Operating Expenditure equates to approximately £3m, the current General Revenue Reserve. The Director of Finance (Chief Finance Officer) recommends **maintaining the general reserve at its current £3.0m level.**

Committed (Earmarked) Reserves

129. The Authority has created these reserves for specific purposes and involve funds being set aside to meet known or predicted future liabilities or risks. The Director of Finance has carried out a review of current reserves based on the latest financial review and known planned future use of the Authority's forecast reserves. The proposed reserves for 2020/2021 and future years are outlined below and the planned use over the MTFP is in the table at the end of this section.

- **Emergency & Insurance Related Reserves:-**

- **Bellwin & Emergency Planning, £0.2m** - The Bellwin scheme is intended to reimburse the eligible cost of local authority actions taken in the immediate phase of an emergency. The Government expects councils to cover costs themselves up to a certain level - an individual authority is required to have spent 0.2% of its calculated annual budget on works that have been reported. This reserve is held as a contingency in order to provide the Authority with the funds to meet those cost not deemed to be eligible for grant support and any other emergency planning costs.
- **Insurance Reserve, £0.4m** - The Authority has a number of insurance premiums that require it to cover an excess, (£250k on employee & public liability, £10k on vehicles). Based on recent claims history this reserve has

been established as a contingency to cover those costs that can't be contained within the base revenue budget.

- **Modernisation Challenge Reserves:-**
 - **Smoothing Reserve, £2.0m** - This reserve was created to allow the Authority the time to re-engineer the Service and deliver future saving options if future Government funding or Pension (McCloud) assumptions in the proposed plan do not reflect the actual future change. Currently the 2021/2022 and future years Government funding is unknown and is subject to a spending review, funding mechanism review, and change to the current Business Retention funding mechanism. This level of uncertainty means the Authority may face significant future funding cuts but with little time to manage any required budget reductions. In addition this report has outlined the uncertainty around the McCloud remedy, and in particular whether the Government will cover the cost of any compensation payments and moving firefighters back onto the FPS 1992 scheme from April 2015. By having the reserve the Authority may be able to avoid compulsory redundancies by allowing it time to identify permanent savings to cover any additional costs or reduced funding.
 - **Recruitment Reserve, £3.0m** - Given nearly 50% of the current firefighters will retire over the next 5 to 8 years the Authority is currently planning to recruit in advance of these employees leaving over this period. This means the firefighter establishment will be on average +20 FTE above the budgeted establishment at a potential +£0.4m p.a. This reserve will cover any costs that can't be contained within the establishment budget.
 - **Invest to Save Reserve, £0.4m** - This reserve was established to pump prime efficiency initiatives required to deliver longer term savings. The reserve will fund a temporary increase in the Applications team up to 2021/22 in order to facilitate the development of in-house applications that will reduce staff administration support costs in the future.
- **Capital & Debt Repayment Reserve, £8.1m** - £7.4m of the reserve is committed to fund the remaining station merger work relating to a new fire station in St Helens and the investment into the Authority's TDA. The balance, £0.7m has been committed to fund investment into ICT systems and fire station upgrades. Without the reserve the Authority would have to borrow to fund the new St Helens station and TDA works meaning an increase in the debt servicing budget (currently +£6m).
- **Specific Projects:-**
 - **PFI Annuity Reserve, £1.9m** - PFI schemes have an affordability gap (existing budget plus grant never covers the proposed total cost of the scheme). As grant is paid in advance of the full PFI scheme being completed PFI authorities therefore receive "excess" grant relative to the unitary charge payments at the beginning of the scheme. This available grant is put into a reserve and is then drawdown to smooth out the affordability gap over the life of the PFI. This reserve provides the Authority with that resource and will be fully utilised over the PFI life.

- **Inflation Reserve, £0.7m** - This reserve provides some resilience if the key the pay, 2.5%, and price, 2% p.a., inflation assumptions are wrong and the actual inflation increase is higher. Each additional 1% above the pay inflation assumption would require a permanent budget increase of £0.4m p.a. This reserve would hopefully allow the Authority time to identify and implement any new savings to fund the pay award if it exceeded the level assumed in the plan.
- **Clothing Reserve, £0.6m** - the issue of PPE is being amended from the current “pooled” issue to individual issue for operational and health and safety reasons. This will mean an increase in PPE from 1.6 to 2 for each firefighter. The clothing reserve will fund the initial issue of kit, after which replacement issue can be contained within the existing revenue budget.
- **Training Reserve, £0.2m** – The Authority intends to take on significant numbers of firefighter recruits over the next few years. This reserve has been created to ensure the base revenue training budget can be flexed upwards if training demands exceed the available budget.
- **Equipment, £0.1m** – this reserve has been established to fund those planned projects or investments in equipment that had been budgeted for but not completed in the anticipated year and therefore the budget has been carried forward. The refresh of equipment is expected to be finalised over the next 12 months.
- **Other, £0.1m** – this reserve is to fund community based initiatives that have been budgeted for in the year but will take place over 2019/2020 – 2020/2021 and look to improve prevention and wellbeing within the Merseyside community.
- **Ringfenced Reserves, £0.4m** - External grants / contributions have been received to fund specific projects (Prince’s Trust, Local Authorities funds for community initiatives). This reserve ensures the funds are brought forward until they have been fully spent.

130. The anticipated planned use over the MTFP is outlined in the table overleaf:-

	Estimated 2020/21 Opening Balance	Estimated 2020/21		Estimated 2021/22 Expected Use	Estimated 2022/23 Expected Use	Estimated 2023/24 Expected Use	Estimated 2024/25 Expected Use	Estimated Future Years Expected
		Base Budget	During 2020/2021					
Committed Reserves	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Emergency & Insurance Related Reserves								
Bellwin & Emergency Planning Reserve	222	0	0	0	0	0	0	-222
Insurance Reserve	383	0	0	0	0	0	0	-383
Modernisation Challenge								
Smoothing Reserve	2,000	0	-1,300	-700	0	0	0	0
Recruitment Reserve	3,000	0	-400	-400	-400	-400	-400	-1,000
Invest to Save Reserve	432	-223	0	-209	0	0	0	0
Capital, Debt Repayment Res	8,058	-5,329	0	-2,100	-629	0	0	0
Specific Projects								
PFI Annuity Reserve	1,895	-91	0	-95	-100	-110	-120	-1,379
Inflation Reserve	700	0	0	0	0	0	0	-700
Clothing Reserve	592	0	-392	-200	0	0	0	0
Training Reserve	150	0	-50	-50	-50	0	0	0
Equipment Reserve	77	0	-77	0	0	0	0	0
Healthy Community Reserve	30	0	-30					
Health & Wellbeing	25	0	-25	0	0	0	0	0
Community Engagement	7	0	-7	0	0	0	0	0
Ringfenced Reserves								
Community Risk Management Reserve	325	0	-125	-100	-100	0	0	0
Energy Reserve	18	72	0	25	-75	-40	0	0
New Dimensions Reserve	41		-41	0	0	0	0	0
Total Committed Reserves	17,955	-5,571	-2,447	-3,829	-1,354	-550	-520	-3,684
General Revenue Reserve	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total Reserves	20,955	15,384	12,937	9,108	7,754	7,204	6,684	3,000

131. The Director of Finance recommends that the Authority hold the £20.955m identified above in reserves at the start of the financial plan.

Members should bear in mind that reserves and balances should only be used to finance one-off expenditure. If such monies are used to fund ongoing revenue expenditure without taking action to reduce underlying expenditure, the Authority would find itself facing the same deficit in the next and future years but without reserves available to finance it. This is underlined by the Auditor's 'Golden Rule' - that "one off" revenue reserves should not be used to support 'ongoing' revenue expenditure.

132. Members need to consider their strategy on reserves and balances in light of the guidance from the Director of Finance.

(J) BUDGET TIMETABLE & RESOLUTION

133. There is a legal requirement for the Authority to set a balanced budget and decide its level of precept before 1st March 2020. The Authority meeting is now invited to:

- Confirm the financial plan set out in Appendix C, approve the budget requirement of £61.961m for 2020/2021 as outlined in Appendix C.
- note that the Authority's council tax base for 2020/2021 is 376,908.99, being the aggregate of the tax bases calculated by the Districts.
- approve the following amounts calculated in accordance with Sections 42a to 49 of the Local Government Finance Act 1992:-

Calculation of Aggregate Amounts Under Section 42a (2) and (3) of the Local Government Act 1992					
			Gross Expenditure 2020/21	Gross Income 2020/21	Estimate 2020/21
			£'000	£'000	£'000
(A)	sec 42 (2) (a)	Service Budget	87,977		87,977
(B)	sec 42 (3) (a)	Income		-20,445	-20,445
		Reserves Movement:			
(A)	sec 42 (2) (c)	Contribution to reserves	72		72
(B)	sec 42A (3) (a)	Contribution from reserves		-5,643	-5,643
		Budget Requirement	88,049	-26,088	61,961
(B)	sec 42A (3) (a)	Spending Funding Assessment		-31,315	-31,315
(B)	sec 42A (3) (a)	Local NNDR Estimate Adjustment		-118	-118
(B)	sec 42A (3) (a)	Collection Fund Deficit / (Suplus)		-225	-225
		Non-Precept Income		-31,658	-31,658
(C)	In accordance with Sec 42A (4), aggregate of (A) over (B)	Precept Requirement			30,303
		Tax Base			376,908.99
		Precept Requirement / Tax Base:			£80.40
		Basic Tax Amount At Band 'D'			£80.40

134. The valuation bands calculated by the Authority in accordance with Section 47 (1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands:

2019/20	2020/21	Property Band		Increase		Weekly increase
	£			£	%	£
£52.56	£53.60	For properties in Band	A	1.04	1.98	0.020
£61.32	£62.53	For properties in Band	B	1.21	1.97	0.023
£70.08	£71.47	For properties in Band	C	1.39	1.98	0.027
£78.84	£80.40	For properties in Band	D	1.56	1.98	0.030
£96.36	£98.27	For properties in Band	E	1.91	1.98	0.037
£113.88	£116.13	For properties in Band	F	2.25	1.98	0.043
£131.40	£134.00	For properties in Band	G	2.60	1.98	0.050
£157.68	£160.80	For properties in Band	H	3.12	1.98	0.060

135. The Authority calculates the precept amounts payable by each constituent district council pursuant to Section 48 of the Act as follows:-

PRECEPT		AUTHORITY
£		
8,764,540	Payable by	LIVERPOOL
7,554,858	Payable by	WIRRAL
4,202,669	Payable by	ST.HELENS
6,826,314	Payable by	SEFTON
2,955,102	Payable by	KNOWSLEY
30,303,483		

136. The precept payments are to be made by 10 equal instalments on or before the following dates:-

Tuesday	21st April 2020
Friday	29th May 2020
Monday	6th July 2020
Tuesday	11th August 2020
Thursday	17th September 2020
Friday	23rd October 2020
Monday	30th November 2020
Friday	8th January 2021
Monday	15th February 2021
Wednesday	17th March 2021

Equality and Diversity Implications

137. Future reports on staff saving plans, if required, will be accompanied by EIAs.

138. The financial plan makes provision for the necessary investment to ensure the Authority meets and exceeds its Equality and Diversity requirements in addition to work carried out by all staff and teams.

Staff Implications

139. The relevant consultation will take place as and when the plans are drawn up to deliver the required staffing change to deliver the reduction in support staff and firefighters.

Legal Implications

140. The Authority must act in accordance with its powers and duties under the legislation which includes setting a balanced budget and deciding the level of precept prior to 1st March 2020.

Financial Implications & Value for Money

141. See Executive Summary

Risk Management, Health & Safety, and Environmental Implications

142. The budget and capital investment programme make large-scale investments in staff Health and Safety.

Contribution to Our Mission: *Safer Stronger Communities – Safe Effective Firefighters*

143. To Achieve; Safer Stronger Communities - Safe Effective Firefighters. The proposed financial plan considers how best to allocate resources and deliver a balanced budget in light of the approved mission of the service and service priorities.

BACKGROUND PAPERS

CFO/009/19 “MERSEYSIDE FIRE AND RESCUE AUTHORITY BUDGET AND FINANCIAL PLAN 2019/2020 – 2023/2024” Budget Authority 28th February 2019

GLOSSARY OF TERMS

CAPITAL The capital budget covers the money the Authority spends on investing in buildings, infrastructure and expensive pieces of equipment with an asset life of more than one year.

CFO Chief Fire Officer

CFR Capital Financing Requirement – measures the amount of capital spending that has not yet been financed by capital receipts, capital grants or contributions from revenue income. It measures the underlying need to borrow for capital purpose, although this borrowing may not necessarily take place externally (use of available cash etc.).

CIPFA Chartered Institute of Public Finance and Accountancy

CSR2020	Comprehensive Spending Review. This Spending Round will set out the government's spending plans for 2020-21 and possibly future years.
FPS	Firefighters' Pension Scheme
FTE	Full Time Equivalent employee number
LGPS	Local Government Pension Scheme
LIBID	London Interbank Bid Rate (LIBID). The bid rate that a Euromarket bank is willing to pay to attract a deposit from another Euromarket bank in London.
MFRA	Merseyside Fire and Rescue Authority
MFRS	Merseyside Fire and Rescue Service
MHCLG	Ministry of Housing, Communities and Local Government
MPC	Monetary Policy Committee
MRP	Minimum revenue provision, an amount set aside from revenue towards the repayment of loan debt.
MTFP/ PLAN	Medium Term Financial Plan
NRAT	National Resilience Assurance Team
PPE	Personal Protective Equipment
PWLB	Public Works Loans Board
RESERVES	Amounts set aside to meet future contingencies but whose use does not affect the Authority's net expenditure in a given year. Appropriations to and from reserves may not be made directly from the revenue account.
REVENUE	The revenue budget is the term used to describe the amount that the Authority spends on its day-to-day running of services. This includes wages and salaries, property and transport running costs and payments to suppliers. In addition to the running costs of services, the Authority must fund the costs of borrowing money to pay for their capital assets.
RSG	Revenue Support Grant
SFA	Settlement Funding Assessment. Government's estimated funding assessment for the Authority, from share of Business Rates (local business rates share plus a Top-Up grant) and Revenue Support Grant.
SLT	Senior Leadership Team (CFO plus Deputy & Assistant Chiefs, relevant Directors and Area Managers).

TDA The Training and Development Academy

UNSUPPORTED No Revenue Support Grant to cover the costs associated with borrowing
BORROWING and the Authority must earmark revenue funds to cover these costs.

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2020/2021 DRAFT SUMMARY REVENUE BUDGET

	2020/21
	£'000
Budget Requirement	
Fire Service	65,759
Corporate Management	517
NRAT MFRS Lead Authority (Budget Neutral)	0
Contingency for Pay/Price Changes	1,428
TOTAL SERVICE EXPENDITURE	67,704
Interest on Balances	-172
NET OPERATING EXPENDITURE	67,532
Contribution to/(from) Reserves:	
Capital Investment Reserve	-5,329
PFI Annuity Reserve	-91
Energy Reseve	72
Invest to save Reserve	-223
	-5,571
BUDGET REQUIREMENT	61,961
Funding:	
Settlement Funding Assessment	-31,315
Business Rates Adjustment	-118
Collection Fund Surplus	-225
Precept Income	-30,303
	-61,961

2020/2021 DRAFT FIRE SERVICE REVENUE BUDGET

		2020/21
EMPLOYEES		£'000
Uniformed		
Firefighters		33,134
Control		1,364
Additional Hours		1,255
	TOTAL UNIFORMED	35,753
APT&C and Manual		
APT&C		10,192
Tender Drivers		132
Catering		186
Transport Maintenance		602
Hydrant technicians		56
	TOTAL APT&C/MANUAL	11,168
Other Employee Expenses		
Allowances		59
Training Expenses		516
Other Expenses		30
Development Expenses		80
Employee Insurance		170
Enhanced pensions		52
Catering Expenditure		118
HFRA Capitalisation Payroll		-375
	TOTAL OTHER EMPLOYEE EXPEND	650
Pensions		
Injury Pension		1,790
Ill Health Ret charges		174
	TOTAL PENSIONS	1,964
	TOTAL EMPLOYEES	49,535
PREMISES		
Building Maintenance Repairs		32
Site Maintenance Costs		14
Energy		946
Rent		46
Rates		1,552
Water		300
Fixtures		15
Insurance		51
	TOTAL PREMISES	2,956
TRANSPORT		
Direct Transport		381
Tunnel Fees		11
Operating Lease		133
Other Transport Costs		470
Car Allowances		94
Insurance		213
	TOTAL TRANSPORT	1,302

2020/2021 DRAFT FIRE SERVICE REVENUE BUDGET

		2020/21
		£'000
SUPPLIES & SERVICES		
Administrative Supplies		14
Operational Supplies		271
Hydrants		11
Consumables		43
Training Supplies		109
Fire Prevention Supplies		62
Catering Supplies		30
Uniforms		306
Printing & Stationery		91
Professional Fees/Service		811
Communications		774
Postage		14
Command/Control		8
Computing		203
Medicals		246
Travel & Subsistence		72
Grants/Subscriptions		93
Advertising		1
Furniture		13
Laundry		82
Insurances		23
Hospitality		4
	TOTAL SUPPLIES & SERVICES	3,281
AGENCY SERVICES		
Super Fund Admin		126
ICT Service Provider		1,484
ICT Managed Suppliers		434
PFI Unitary Charges ((Int/Principal/Op Costs)		2,800
Estates Service Provider		1,330
	TOTAL AGENCY SERVICES	6,174
CENTRAL EXPENSES		
Finance & Computing		432
	TOTAL CENTRAL EXPENSES	432
CAPITAL FINANCING		
PWLB Debt Charges		6,317
MRB Debt Charges		60
Revenue Contribution to Capital		5,675
	TOTAL CAPITAL FINANCING	12,052
TOTAL EXPENDITURE		75,732
INCOME		
Specific Grants		7,379
Fees & Charges		1,044
Rents etc		898
Recharges Secondments		256
Contributions		170
Recharges Internal		216
Other Income		10
	TOTAL INCOME	9,973
NET EXPENDITURE		65,759

2020/2021 DRAFT CORPORATE MGT REVENUE BUDGET

		BASE 2020/21
		£'000
EXPENDITURE		
	Finance & Legal costs	
	Finance Officer	79
	Legal Officer	89
	Democratic Rep (1020)	
	- Travel & Subsistence	17
	- Conference fees	2
	- Members Allowances	208
	- Telephones	1
	- Training	2
	Central Expenses (1030)	
	Bank charges	15
	District Audit Fees	25
	Subscriptions	79
TOTAL EXPENDITURE		517

2020/2021 DRAFT USAR/ISAR REVENUE BUDGET

		BASE 2020/21
		£'000
EXPENDITURE		10,300
INCOME		10,300
	NET EXPENDITURE	0

Capital Programme 2020/21 to 2024/25

Capital Expenditure	Total Cost £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Building/Land	12,853,800	10,588,900	939,900	705,000	305,000	315,000
Fire Safety	3,271,500	731,500	635,000	635,000	635,000	635,000
ICT	4,971,000	1,467,600	667,100	927,100	797,100	1,112,100
Operational Equipment & Hydrants	3,253,500	1,908,500	256,000	240,000	462,000	387,000
Vehicles	9,040,600	3,549,100	1,808,600	1,913,300	478,100	1,291,500
Expenditure	33,390,400	18,245,600	4,306,600	4,420,400	2,677,200	3,740,600
Financing Available	Total £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2023/24 £
Capital Receipts	1,325,000	1,325,000	0	0	0	0
RCCO	1,875,000	375,000	375,000	375,000	375,000	375,000
Capital Reserves	5,300,000	5,300,000	0	0	0	0
Grants	1,250,000	1,250,000	0	0	0	0
Total Non Borrowing	9,750,000	8,250,000	375,000	375,000	375,000	375,000
Unsupported Borrowing	23,640,400	9,995,600	3,931,600	4,045,400	2,302,200	3,365,600
Total Funding	33,390,400	18,245,600	4,306,600	4,420,400	2,677,200	3,740,600

Programme 2020/21 to 2024/25

Type of Capital Expenditure	Total Cost £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Major Site Refurbishments						
BLD016 Community Station Investment	50,000	25,000	25,000			
BLD039 FS Refurbishment Heswall	450,500	450,500				
BLD041 FS Refurbishment Aintree	159,900		159,900			
BLD042 FS Refurbishment St Helens	75,000	75,000				
BLD055 FS Refurbishment Bromborough	290,000	290,000				
BLD056 FS Refurbishment Eccleston	40,000	40,000				
BLD057 FS Refurbishment Crosby	150,000	150,000				
BLD063 FS Refurbishment Kirkby	365,000	365,000				
BLD070 Workshop Enhancement	50,000	50,000				
BLD071 Station Refresh	77,400	52,400	25,000			
BLD084 FS Refurbishment Croxteth	250,000	250,000				
BLD085 FS Refurbishment Speke/Garston	300,000	150,000		150,000		
BLD086 FS Refurbishment Old Swan	300,000	150,000		150,000		
BLD088 FS Refurbishment Kensington	140,000	40,000		100,000		
BLD089 FS Refurbishment Toxteth	200,000		200,000			
BLD090 FS Refurbishment Wallasey	75,000		75,000			
BLD091 TDA Refurbishment	4,493,800	4,493,800				
BLD093 Marine Fire 1 Refurbishment	150,000		150,000			
	7,616,600	6,581,700	634,900	400,000		
Station Mergers						
BLD083 St Helens FS New Build (CFO/059/15)	2,500,000	2,500,000				
	2,500,000	2,500,000				
Other						
BLD073 SHQ Museum	191,000	191,000				
	191,000	191,000				
LLAR Accommodation Works						
BLD050 LLAR Accommodation Belle Vale	50,000	50,000				
BLD075 LLAR Accommodation Newton-le-Willows	270,700	270,700				
	320,700	320,700				
General Station Upgrade Works						
BLD001 Roofs & Canopy Replacements	200,000	40,000	40,000	40,000	40,000	40,000
BLD004 Concrete Yard Repairs	120,000	40,000	20,000	20,000	20,000	20,000
BLD005 Tower Improvements	50,000	10,000	10,000	10,000	10,000	10,000
BLD013 Non Slip Coating to Appliance Room Floors	175,000	55,000	30,000	30,000	30,000	30,000
BLD014 Boiler Replacements	95,000	35,000	15,000	15,000	15,000	15,000
BLD020 Electrical Testing	200,000	120,000	20,000	20,000	20,000	20,000
BLD033 Sanitary Accommodation Refurbishment	130,000	50,000	20,000	20,000	20,000	20,000
BLD044 Asbestos Surveys	75,000	35,000	10,000	10,000	10,000	10,000
BLD060 DDA Compliance	210,000	170,000	10,000	10,000	10,000	10,000
	1,255,000	555,000	175,000	175,000	175,000	175,000
Other Works						
BLD007 L.E.V. System in Appliance Rooms	35,000	15,000	5,000	5,000	5,000	5,000
BLD018 Conference Facilities SHQ	40,000	20,000	5,000	5,000	5,000	5,000
BLD026 Corporate Signage	35,000	15,000	5,000	5,000	5,000	5,000
BLD032 Power Strategy	30,000	10,000	5,000	5,000	5,000	5,000
BLD034 Office Accommodation	75,000	15,000	15,000	15,000	15,000	15,000
BLD053 Headquarters Lighting	25,000	25,000				
BLD058 HVAC - Heating, Ventilation & Air Con	75,000	75,000				
BLD061 Lightening Conductors & Surge Protection	45,000	25,000	5,000	5,000	5,000	5,000
BLD062 Emergency Lighting	40,000	20,000	5,000	5,000	5,000	5,000
BLD067 Gym Equipment Replacement	130,000	50,000	20,000	20,000	20,000	20,000
BLD092 Service Headquarters Offices	90,000	90,000				
BLD094 Security Enhancement Works	125,000	25,000	25,000	25,000	25,000	25,000
CON001 Energy Conservation Non-Salix	105,000	25,000	20,000	20,000	20,000	20,000
EQU002 Replacement programme for Fridge Freezers	50,000	10,000	10,000	10,000	10,000	10,000
EQU003 Furniture Replacement Programme	70,500	20,500	10,000	10,000	10,000	20,000
	970,500	440,500	130,000	130,000	130,000	140,000
	12,853,800	10,588,900	939,900	705,000	305,000	315,000

Fire Safety Capital Programme 2020/21 to 2024/25

Type of Capital Expenditure	Total Cost £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
FIR002 Smoke Alarms (100,000 HFRA target)	1,175,000	235,000	235,000	235,000	235,000	235,000
FIR005 Installation costs (HFRA)	1,875,000	375,000	375,000	375,000	375,000	375,000
FIR006 Deaf Alarms (HFRA)	125,000	25,000	25,000	25,000	25,000	25,000
FIR007 Replacement Batteries (12,000)						
FIR009 Fire Risk Management in Residential Blocks	96,500	96,500				
	3,271,500	731,500	635,000	635,000	635,000	635,000

ICT Capital Programme 2020/21 to 2024/25

Type of Capital Expenditure	Total Cost £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
IT002 ICT Software						
Software Licences	10,000	2,000	2,000	2,000	2,000	2,000
New Virtualisation Infrastructure	75,000				75,000	
3 Year Licences Antivirus & Filtering	12,000	12,000				
5 Year Antivirus & Filtering Software	280,000	80,000		200,000		
MDT Software Solution Refresh	100,000			100,000		
Microsoft SQL Upgrade	50,000				50,000	
Logpoint Security Information and Event Mgmt Refresh	80,000				80,000	
Microsoft EA Agreement (Servers & Security)	210,000	42,000	42,000	42,000	42,000	42,000
Microsoft EA Agreement (Windows & Office)	1,020,000	204,000	204,000	204,000	204,000	204,000
Microsoft EA Agreement (Application Development)	70,000	14,000	14,000	14,000	14,000	14,000
	1,907,000	354,000	262,000	562,000	467,000	262,000
IT003 ICT Hardware						
Desktops (target 20%)	200,500	40,100	40,100	40,100	40,100	40,100
Laptops/Tablets & Docking Stations (target 20%)	310,000	62,000	62,000	62,000	62,000	62,000
Monitors & Monitor Arms (target 20%)	70,000	14,000	14,000	14,000	14,000	14,000
Peripherals replacement (target 20%)	15,000	3,000	3,000	3,000	3,000	3,000
Mobile device replacement (target 20%)	15,000	3,000	3,000	3,000	3,000	3,000
Replacement Backup Tape Drive	25,000		25,000			
IP TV Asset Refresh	50,000	25,000	25,000			
Landline Handset Refresh	10,000				10,000	
Audio Visual Conference Facility	120,000	120,000				
Audio Visual Refresh TDA	75,000	75,000				
	890,500	342,100	172,100	122,100	132,100	122,100
IT005 ICT Servers						
Server/storage replacement (target 20%)	325,000	65,000	65,000	65,000	65,000	65,000
Server/storage growth	70,000	14,000	14,000	14,000	14,000	14,000
SAN 5 Year Refresh	135,000					135,000
	530,000	79,000	79,000	79,000	79,000	214,000
IT018 ICT Network						
Local Area Network replacement (discrete)						
Network Switches/Router replacement	10,000	2,000	2,000	2,000	2,000	2,000
Network Switches/Routers Growth	25,000	5,000	5,000	5,000	5,000	5,000
Network Data Port Replacement	50,000	10,000	10,000	10,000	10,000	10,000
Core Network Switch/Router upgrade	200,000					200,000
MDT Wireless Network Replacement	25,000					25,000
Public Wi-Fi Replacement	15,000					15,000
Vesty Road Network Link Refresh	40,000					40,000
Secondary FireControl backup telephony refresh	40,000					40,000
	405,000	17,000	17,000	17,000	17,000	337,000
IT026 ICT Operational Equipment						
Pagers/Alerters	88,500	78,500	5,000	5,000	5,000	5,000
Station Equipment Replacement	50,000	10,000	10,000	10,000	10,000	10,000
Incident Ground Management System	50,000	50,000				
MDT Replacement (Not incl. in ESMCP)	345,000	120,000			75,000	150,000
	543,500	258,500	15,000	15,000	90,000	165,000
IT058 New Emergency Services Network (ESN)						
ESN Radios / Infrastructure - Estimate	54,000	54,000				
	54,000	54,000				
Other IT Schemes						
IT027 ICT Security - Remote Access Security FOBS	10,000	2,000	2,000	2,000	2,000	2,000
IT028 System Development (Portal)	110,000		110,000			
IT030 ICT Projects/Upgrades	25,000	5,000	5,000	5,000	5,000	5,000
IT055 C.3.I. C.&C Communication & Information System	25,000	5,000	5,000	5,000	5,000	5,000
IT059 ESMCP Project Control Room Integration	26,000	26,000				
IT062 Capita Vision 3 Update (CFO/058/17)	145,000	145,000				
FIN001 FMIS/Eproc/Payroll/HR Replacement	180,000	180,000				
	521,000	363,000	122,000	12,000	12,000	12,000
Planning Intelligence and Performance System (PIPS)						
NEW PIPS System upgrade	120,000			120,000		
	4,971,000	1,467,600	667,100	927,100	797,100	1,112,100

Operational Equipment Capital Programme 2020/21 to 2024/25

Type of Capital Expenditure	Total Cost £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
<u>OPS003 Hydraulic Rescue Equipment</u>						
Hydraulic Rescue Equipment - Replacement Programme	580,000		60,000	85,000	85,000	350,000
	580,000		60,000	85,000	85,000	350,000
<u>OPS005 Resuscitation Equipment</u>						
Resuscitation Rescue Equipment	30,000	30,000				
Appliance Resuscitation Equipment & Cylinders	45,000		45,000			
	75,000	30,000	45,000			
<u>OPS024 BA Equipment/Communications</u>						
BA Cylinder Replacement	20,000	20,000				
BA Test Rig	14,500	14,500				
BA Set Batteries	20,000	20,000				
	54,500	54,500				
<u>OPS036 Radiation/Gas Detection Equipment</u>						
Radiation Detection Equipment	45,000	45,000				
Single Gas Detection Equipment	20,000	20,000				
	65,000	65,000				
<u>OPS049 Bulk Foam Equipment</u>						
Bulk Foam Attack Equipment	41,000	41,000				
Bulk Foam Stock	79,000	79,000				
	120,000	120,000				
<u>Other Operational Equipment</u>						
OPS001 Gas Tight Suits Other PPE	37,000	20,000	5,000	6,000	6,000	
OPS009 POD Equipment (Demountable Unit Refurb 2013/14 II	75,000	75,000				
OPS011 Thermal imaging cameras	187,000		12,000		175,000	
OPS016 Improvements to Fleet	28,000	20,000		8,000		
OPS022 Water Rescue Equipment	120,000	30,000	30,000	30,000	30,000	
OPS023 Gas Detection Equipment (MYRA DS)	55,000	10,000	15,000	15,000	15,000	
OPS026 Rope Replacement	40,000	10,000	10,000	10,000	10,000	
OPS027 Light Portable Pumps	20,000	20,000				
OPS031 CCTV Equipment	15,000	15,000				
OPS033 Marine Rescue Equipment	40,000	10,000	10,000	10,000	10,000	
OPS034 Operational Ladders	114,000	66,000	17,000	14,000	17,000	
OPS038 Water Delivery System	15,000	15,000				
OPS039 Water Delivery Hoses	64,000	15,000	15,000	17,000	17,000	
OPS052 DEFRA FRNE	16,000	16,000				
OPS054 Electrical Equipment	88,000	20,000		8,000	60,000	
OPS055 NRAT Asset Refresh	1,250,000	1,250,000				
OPS056 PV Stop (Solar Panels)	10,000	10,000				
	2,174,000	1,602,000	114,000	118,000	340,000	
<u>Hydrants</u>						
HYD001 Hydrants (New Installations)	92,500	18,500	18,500	18,500	18,500	18,500
HYD002 Hydrants (Replacements)	92,500	18,500	18,500	18,500	18,500	18,500
	185,000	37,000	37,000	37,000	37,000	37,000
	3,253,500	1,908,500	256,000	240,000	462,000	387,000

Vehicles Capital Programme 2020/21 to 2024/25

Type of Capital Expenditure	Total		2020/21		2021/22		2022/23		2023/24		2024/25	
	Units	Cost £	Units	£	Units	£	Units	£	Units	£	Units	£
VEH002 Ancillary Vehicles												
<u>Cars</u>												
Pool Cars - Skoda Fabia	27	307,800	18	205,200	9	102,600						
Pool Cars - Possible Electric	20	360,000									20	360,000
Officer Response Cars- Vauxhall Insignia	6	135,900					6	135,900				
Officer Response Cars- Octavia 4x4	7	146,000							7	146,000		
<u>Vans</u>												
Master/Transit Panel 1	4	89,000	4	89,000								
Master/Transit Panel 2	6	154,800	3	77,400			3	77,400				
Master/Transit Panel 3	1	23,500									1	23,500
Ford Connect	1	11,500	1	11,500								
Dog Van Mercedes Vito	1	49,750	1	49,750								
<u>Mini Buses</u>												
Princes Trust	4	98,400	4	98,400								
		1,376,650		531,250		102,600		213,300		146,000		383,500
VEH004 Special Vehicles												
CPL - Aerial Appliance	2	1,460,000					2	1,460,000				
Prime Movers 3	3	468,150	1	156,050					2	312,100		
IMU	1	650,000	1	650,000								
BA Support Unit (POD)	2	250,000	2	250,000								
Refurbish of PODs - Bulk Foam Unit		24,000					24,000					
Refurbish of PODs- General Purpose		12,000		12,000								
Modification of DK08 GJX to MTA		18,000		18,000								
Crew Van for Drone	1	32,000	1	32,000								
Wildfire Appliance 4x4	2	100,000	2	100,000								
Mercedes IMU	1	105,000			1	105,000						
Curtain Sided Truck (Driving School)	1	86,000			1	86,000						
Water Rescue Unit	1	54,000	1	54,000								
Crane Lorry	1	200,000					1	200,000				
		3,459,150		1,272,050		215,000		1,660,000		312,100		
VEH010 Marine Rescue Vessels												
RNLI Class 75 Rib Boats		355,000				355,000						
		355,000				355,000						
Other Vehicles												
VEH001 - Fire Appliances												
2019/20 Price		633,000		633,000								
2020/21 Price	4	1,112,800	4	1,112,800								
2021/22 Price	4	1,136,000			4	1,136,000						
2024/25 Price	3	870,000									3	870,000
		3,751,800		1,745,800		1,136,000						870,000
WOR001 Workshop Equipment												
Equipment		30,000								20,000		10,000
Rolling Road Replacement (MOT bay)		10,000										10,000
Smoke Analyser (MOT bay)		8,000										8,000
Smoke Analyser (HGV)		10,000										10,000
Workshop Equip Somers vehicle Lift.	2	40,000					2	40,000				
		98,000						40,000		20,000		38,000
		9,040,600		3,549,100		1,808,600		1,913,300		478,100		1,291,500

2020/21 - 2024/25 FINANCIAL PLAN

	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
2019/20 MTFP	61,381	62,759	64,150	65,350	65,350
New Issues Identified In 2019/20:-					
Revised FPS Employer Rates / Grant Announced by HO:-	-515	-515	-515	-515	-515
Increase 2020/21 & Future yrs Pay Award from 2% to 2.5%	197	437	677	917	1,157
2024/25 Inflation Provision					1,200
Unavoidable Growth	674	919	991	991	991
Additional MRP	224				
Recruitment reserve & drawdown based on actuals in year					
Employee Budget	-250	-750	-200	-200	0
Recruitment Reserve	250	750	200	200	0
	580	841	1,153	1,393	2,833
UPDATED MTFP Budget Requirement	61,961	63,600	65,303	66,743	68,183
FUNDING					
Government Funding - Settlement Funding Assessment:					
Top Up Grant .	-15,840				
CLG Estimate of Local Business Rate Share	-4,296				
Baseline Funding Level	-20,136				
RSG	-11,179				
	-31,315	-31,315	-31,628	-31,944	-32,263
Assume future SFA increase of +1% p.a.		-313	-316	-319	-323
Settlement Funding Assessment	-31,315	-31,628	-31,944	-32,263	-32,586
Adjustment for Business Rates based on District Forecasts					
Adjustment for Business Rate income forecast from Districts	-118	0	0	0	0
NNDR Collection Fund (surplus)/deficit	-139	0	0	0	0
Adjustment to Local Business Rates income forecast	-257	0	0	0	0
Council Tax -					
Base Precept Income	-29,223	-30,303	-31,212	-32,148	-33,113
Assume increase in Council Tax Base of 1.0% p.a. from 2021/22	-492	-303	-312	-321	-331
Assume a Precept increase of just under 2% (1.98%) from 2021/22	-588	-606	-624	-643	-662
Council Tax Collection Fund (surplus)/deficit	-86	0	0	0	0
Forecast Council Tax Income	-30,389	-31,212	-32,148	-33,113	-34,106
TOTAL FUNDING	-61,961	-62,840	-64,092	-65,376	-66,692
Forecast (Surplus) / Deficit	0	760	1,211	1,367	1,491

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	Estimated 2020/21 Opening Balance	Estimated 2020/21		Estimated 2021/22 Expected Use	Estimated 2022/23 Expected Use	Estimated 2023/24 Expected Use	Estimated 2024/25 Expected Use	Estimated Future Years Expected
		Base Budget	During 2020/2021					
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Committed Reserves								
<u>Emergency & Insurance Related Reserves</u>								
Bellwin & Emergency Planning Reserve	222	0	0	0	0	0	0	-222
Insurance Reserve	383	0	0	0	0	0	0	-383
<u>Modernisation Challenge</u>								
Smoothing Reserve	2,000	0	-1,300	-700	0	0	0	0
Recruitment Reserve	3,000	0	-400	-400	-400	-400	-400	-1,000
Invest to Save Reserve	432	-223	0	-209	0	0	0	0
<u>Capital, Debt Repayment Res</u>	8,058	-5,329	0	-2,100	-629	0	0	0
<u>Specific Projects</u>								
PFI Annuity Reserve	1,895	-91	0	-95	-100	-110	-120	-1,379
Inflation Reserve	700	0	0	0	0	0	0	-700
Clothing Reserve	592	0	-392	-200	0	0	0	0
Training Reserve	150	0	-50	-50	-50	0	0	0
Equipment Reserve	77	0	-77	0	0	0	0	0
Healthy Community Reserve	30	0	-30	0	0	0	0	0
Health & Wellbeing	25	0	-25	0	0	0	0	0
Community Engagement	7	0	-7	0	0	0	0	0
<u>Ringfenced Reserves</u>								
Community Risk Management Reserve	325	0	-125	-100	-100	0	0	0
Energy Reserve	18	72	0	25	-75	-40	0	0
New Dimensions Reserve	41		-41	0	0	0	0	0
Total Committed Reserves	17,955	-5,571	-2,447	-3,829	-1,354	-550	-520	-3,684
General Revenue Reserve	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total Reserves	20,955	15,384	12,937	9,108	7,754	7,204	6,684	3,000

RESERVES

APPENDIX D

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