Public Document Pack

To: All Members of the Authority

R. Groves
Monitoring Officer

Tel: 0151 296 4000
Extn: 4236 Vicky Campbell

Our ref VC/RG

Date: 15 February 2023

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, 23RD FEBRUARY, 2023** in the Liverpool Suite - Fire Service Headquarters at Service Headquarters, Bridle Road, Bootle, L30 4YD.

This meeting will be available to watch via YouTube at the following link:
https://youtu.be/Gqu-ExROydQ

Yours faithfully,

PP – V. Campbell

Monitoring Officer

Encl.

MERSEYSIDE FIRE AND RESCUE AUTHORITY

AUTHORITY BUDGET MEETING

23 FEBRUARY 2023

AGENDA

Members

Les Byrom CBE (Chair)
Sharon Connor,
Tracy Dickinson
Edna Finneran
Harry Gorman
Janet Grace
Dave Hanratty
Lynnie Hinnigan
Brian Kenny (Vice-Chair)
Andrew Makinson
Hugh Malone
Linda Maloney
Lesley Rennie
James Roberts (Vice-Chair)
Anna Rothery
Lynne Thompson
Paul Tweed
Gillian Wood
Emily Spurrell PCC
Anthony Boyle

1. Preliminary Matters

The Authority is 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 - Authority meeting** (Pages 5 - 8)

The minutes of the previous meeting of the Authority, held on 27th October 2022, are submitted for approval as a correct record and for signature by the Chair.

3. **Asset Management Plans** (Pages 9 - 92)

To consider Report CFO/62/22 of the Chief Fire Officer, concerning the plans to align the Authorities physical assets and systems with its corporate aims and objectives over the next 5 years (2023/24 – 2027/28)

4. **Merseyside Fire and Rescue Authority Budget and Financial Plan 2023/2024 – 2027/2028** (Pages 93 - 178)

To consider Report CFO/63/22 detailing the Merseyside Fire and Rescue Authority Budget and Financial Plan for 2023/24 – 2027/28

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.

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MERSEYSIDE FIRE AND RESCUE AUTHORITY

27 OCTOBER 2022

MINUTES

Present: Cllr Les Byrom (Chair)
Cllr Tracey Dickinson
Cllr Edna Finneran
Cllr Harry Gorman
Cllr Dave Hanratty
Cllr Lynnie Hinnigan
Cllr Brian Kenny
Cllr Andrew Mankinson
Cllr Hugh Malone
Cllr Linda Maloney
Cllr Lesley Rennie
Cllr James Roberts
Cllr Lynne Thompson
Cllr Paul Tweed
Cllr Gillian Wood

Also Present: Anthony Boyle, Phil Garrigan, Ian Cummins, Ria Groves

Apologies of absence were received from: Cllr Sharon Connor, Cllr Jan Grace, Cllr Anna Rothery

1. Preliminary Matters

Members considered the identification of any declarations of interest, matters of urgency and any items of business that would require the exclusion of the press and public.

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 of business required 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 - Authority meeting

RESOLVED - That the Minutes of the previous meeting of the Annual General Authority Meeting, held on 9th June 2022, were approved as a correct record and signed accordingly by the Chair.

3. Minutes of the Previous Meeting - Urgency Committee

RESOLVED - That the minutes of the previous Urgency Committee meeting held on 31st May 2022 were approved as a correct record.

It was also agreed the minutes would be clearly identifiable as those from the Urgency Committee

4. The Case for adopting the Socio-Economic Duty and Proposed Next Steps

Chief Fire Officer Phil Garrigan presented the case for adopting the socio-economic disadvantage and proposed next steps.

The inequalities that exist across the City Region and the importance of the adoption of the socio-economic duty was highlighted to Members by the Chief Fire Officer and what this means for our communities.

Cllr Roberts expressed that he was happy to see that MFRS were taking action into our own hands and believed the Authority were already at the vanguard of this work.

Cllr Hanratty then highlighted that deprivation in England is currently an issue and expressed how interesting the report was and whether further help can be sought from other organisations.

The Chief Fire Officer stated that the impact the Authority is having is significant. In regards to first steps the request is that all Local Authorities (anchor institutions) adopt the socio economic duty and start factoring this in and assured Members that if we start to implement socio-economic duty, people on the cusp will be picked up.

The Chief Fire Officer also confirmed that the Trade Unions are supportive and recognise the challenges that our communities face from the heightened levels of deprivation witnessed in Merseyside.

Cllr Byrom expressed the importance of wanting to be the best fire service in the world however this doesn't necessarily mean looking good but rather helping the community as best we can. He also stated that the Authority needs to guide and influence other agency's where we can.

RESOLVED that Members;

a) noted the report and recommendations presented to Liverpool City Region, Metro Mayor, Leaders and Mayor by the Chief Fire Officer Phil Garrigan on the 18th August regarding the adoption of the Socio-economic Duty and;

b) approved the adoption of the duty by Merseyside Fire and Rescue Authority and support the proposed next steps detailed within the report

5. Award of Contract for the Design and Supply of ELS vehicles

The Monitoring Officer, Ria Groves presented the report and updated Members that the contract was awarded under Standing Order 17.2 of the Constitution.

RESOLVED that Members;

a) noted the award of the contract to Wilker UK Limited, for the design and supply of a fleet of 6 vans for the purpose of Enhanced Logistics Support, which was approved by the Chair, Vice Chair and Party Group Leaders under Standing Order 17.2 of constitution following consultation with the Chief Fire Officer;

b) noted that if necessary, the contract can be amended to include additional vehicle or an increase in the specification, and

c) noted all the associated costs with the contract will be funded by the Home Office

Close

Date of next meeting Thursday, 18 May 2023

Signed:______________________ Date:_______________

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MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	AUTHORITY BUDGET MEETING		
DATE:	23 FEBRUARY 2023	REPORT NO:	CFO/62/22
PRESENTING OFFICER	CHIEF FIRE OFFICER PHIL GARRIGAN		
RESPONSIBLE OFFICER:	DEB APPLETON, GED SHERIDAN	REPORT AUTHOR:	STEWART WOODS ED FRANKLIN DAVE SEASMAN
OFFICERS CONSULTED:	STRATEGIC LEADERSHIP TEAM SIMON PURCELL		
TITLE OF REPORT:	ASSET MANAGEMENT PLANS		

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 Merseyside Fire and Rescue Authority (‘the Authority’), plans to align its physical assets and systems with its corporate aims and objectives over the next 5 years (2023/24 – 2027/28).

2. The Asset Management Plans take account of the financial and environmental challenges faced by the Authority, whilst delivering its plans for the future.

3. The plans underpin the changes that are detailed in the Authority’s Community Risk Management, Service Delivery and People Plan. Thereby meeting expectations of both internal and external service users

Recommendation

4. It is recommended that Members approve the revised Asset Management Plan(s) provided as Appendices to this report

Introduction and Background

5. This report introduces the strategic 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.

6. 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

7. The Asset Management Plan for each of the three areas sets 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 and are contained within appendices A-C..

8. 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.

9. 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.

10. 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.

11. 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 2023/24 to 2027/28.

Equality and Diversity Implications

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

Staff Implications

13. The plans are reflective of the statutory duties placed on the Fire and Rescue Service including the equalities duty and health and safety responsibilities, all of which are considered within the respective plans. The plans demonstrate the Authority’s ambition to reflect the communities it serves whilst keeping the public safe.

Legal Implications

14. 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

15. The financial implications associated with the proposed investment in each of the plans have been built into the proposed 2023/2024 – 2027/2028 Medium Term Financial Plan, and the associated borrowing and debt servicing costs are deemed to be affordable, prudent and sustainable.

16. 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 2023/24 – 2027/28 Medium Term Financial Plan elsewhere on today's agenda.

17. 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

18. 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 Vision: ***To be the best Fire & Rescue Service in the UK.***

Our Purpose: *Here to serve, Here to protect, Here to keep you safe.*

19. 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

NONE

GLOSSARY OF TERMS

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Property Asset Management Plan

2023 / 2028

Contents

1 Overview

1.1 Asset Management

This is our Property Asset Management Plan 2023/2028 that supersedes the 'Property Asset Management Plan 2022/2027, 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 Merseyside Fire and Rescue Authority ('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 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 the 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 practice 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 latest, Integrated Risk Management Plan (IRMP) & Community Risk Management plan (CRMP).

1.2 Estates

The Estates Department are responsible for managing the property assets with an estate comprising of approximately 42,000m^2 of managed space located over 39 acres of land in the Merseyside region, which has a population of some 1.4 million residents and spans 249 square miles (645km^2). This incorporates 22 operational Fire and Rescue Stations and a further 14 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 a new five-year contract to provide the facilities service provision in September 2022, covering the following service lines - cleaning, security, reactive and planned maintenance, Helpdesk, condition monitoring, waste, pest control, energy / environmental & statutory compliance.

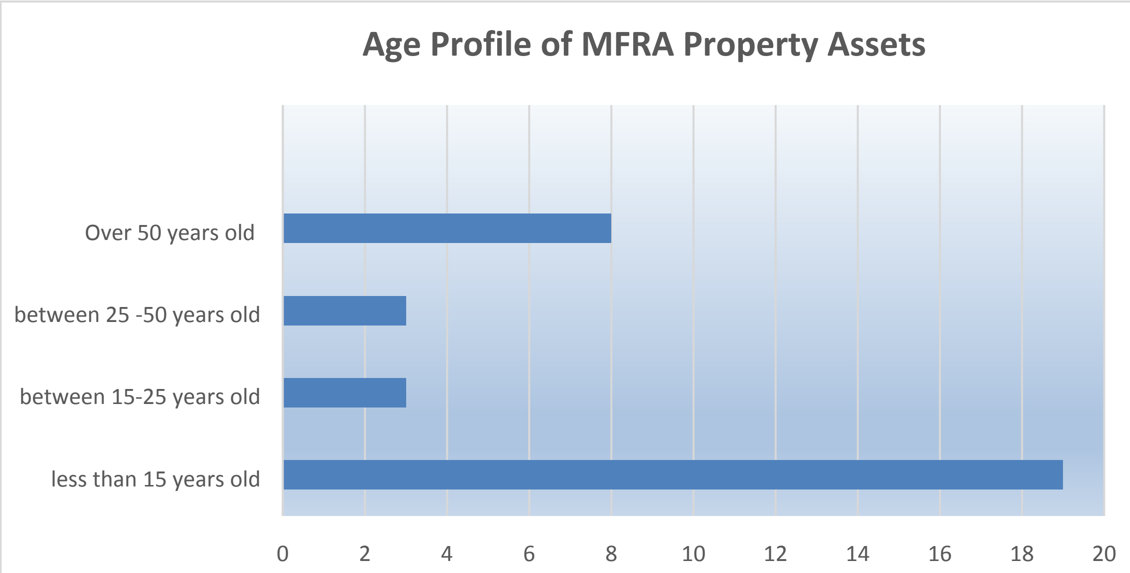
- Project Management – project management of all major and minor capital build project are developed and managed within the department.

- Private Finance 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).

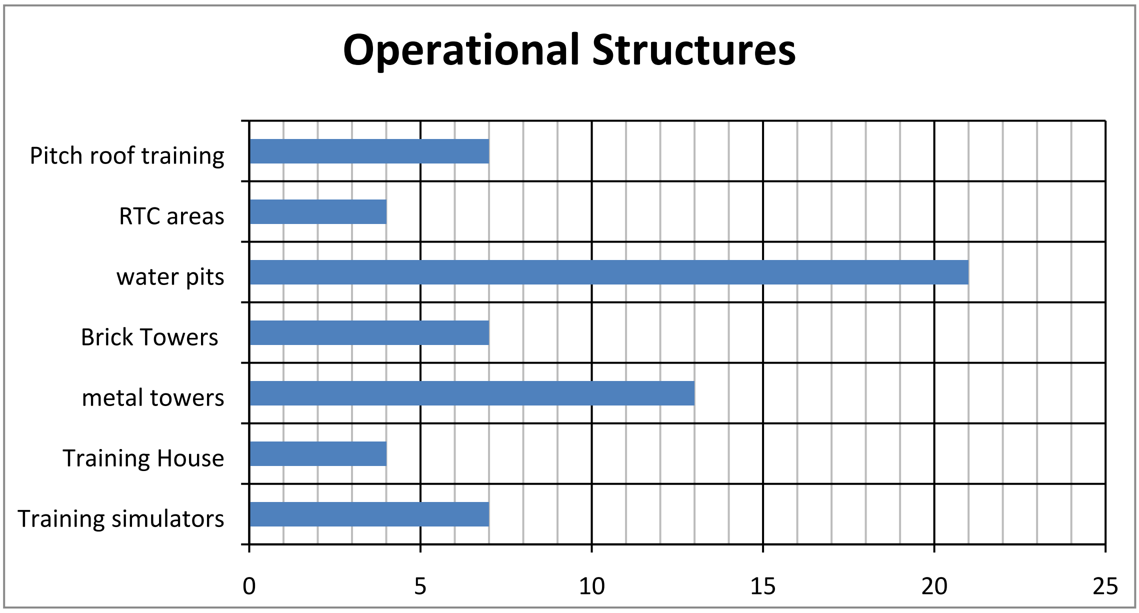
During the last ten years, there has been significant investment and changes to the Authority's property portfolio with the completion of:

- Seven PFI stations
- 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
- Prescot Community Fire & Police Station
- Saughall Massie Community Fire Station
- New St Helens Community Fire Station
- New Formby LLAR house
- Refurbishment of Heswall 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 both oversized and environmentally inefficient, with a requirement to ensure compliance with the Equality Act 2010; 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.



The Authority 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 Vision; To be the best Fire & Rescue Service in the UK.

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.
- To achieve the Building Research Establishment Environmental Assessment Method '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

The facilities management contract awarded to Bouygues Energies and Services in 2015 was re let under the Fusion 21 framework and awarded again to Bouygues Energies and Services in September 2022 for a further five year contract. An asset condition survey was undertaken along with updating the computerised maintenance management system used to record and manage asset condition and life cycle costs.

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, is 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 property valuation report was completed in March 2021 which shown the property asset book value (land & buildings) to be £74,211m. This has increased in line with deprecation, acquisitions, revaluations and disposals to a Book Value at March 2022 of £82,276m.

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 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 Authority assets effectively to help deliver against 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 Merseyside Fire and Rescue Service operational cover model for our control room. By ensuring all 10 stations have an appliance in their station ground the Authority 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
  - Be 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.

The 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 the Procurement Department 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 held within the Estates Department details the projects currently under consideration; those approved and those currently under development, see Appendix B - Summary of Key Property Projects.

5 Governance.

The Estates function is part of the Strategy and Performance Directorate (S&P). The S&P Board (Estates) oversees the development of land and property assets and delivery against the IRMP. The overall function of the Group is to enable the use of land and property assets to facilitate and drive transformation.

The Board is accountable for the successful development and delivery of the Estate programmes
The Board has responsibility for

- Implementing the strategic direction for land and property set by MFRA.
- supporting the duty to collaborate with partners in both development and estate disposal programmes
- Approving bid submissions, defining and realising benefits, managing strategic risks, quality, budgets and timelines, making and resourcing decisions, taking account of environmental considerations and assessing requests for changes to the scope of the programme and any complementary initiatives.

The board will approve the remit of the Estates Department (Head of Estates and any additional support inc. consultancy support), which has the primary purpose of managing programmes and individual projects (Programme) in line with the Board's direction.

The role of the Board is to oversee Programme direction:

- Agree the programme scope and any changes to scope during the course of the programme.
- Provide overall direction for the programme team and agree the scope for each stage of the programme.
- Report any major changes to programme deliverables or timescales to the Resources Board.
- Address and resolve tensions between partners and objectives during the programme lifecycle.

In addition, Programme management:

- Ensure that the required resources are committed for the programme team;
- Request the initiation of a major capital project via Senior Leadership Team SLT
- Sign off each stage or exception plan of the programme,
- Authorise the closure of a project or programme.

In addition, programme delivery:

- Oversee the Authority's approach to managing assets.
  Including:
  - Ensuring that assets are managed in the most effective way to:
  - to drive forward growth;
- support the delivery of service transformation and unlock significant efficiency savings.
- Ensuring alignment with any devolution asks of government
- Preparing local plans and partnerships to drive collaboration at the local level,
- Prepare, review and monitor the Service and Asset Management Plan for MFRA
- Sign off funding submissions.

Funding:

- Ensure financial administration of any programme is consistent with the terms and conditions required by the Authority / Home Office and any other funders and by the authority's financial regulations;
- Seek to identify other opportunities for project funding

Reporting:

- Monitor and evaluate the process and outcomes and benefits from any programme;
- Ensure reporting of progress, outcomes and benefits achieved, as required to, SLT, MFRA, Home Office, and other stakeholders;
- The Estates Strategic Group may delegate its duties as it sees fit.

6 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 Authority 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 to establishing lessons learned and to feed back into the planning process, whenever a major property asset fails.

7 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. e.g. refurbishment of 30 year old station,	This spend delivers the Authority's IRMP	To be the best Fire & Rescue Service in the UK Asset value increases
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 2023 /2028 can be found in appendix C of this plan– 5 year capital programme.

Following a review of the Training and Development Academy facility a new 12 acre site within Merseyside was acquired in 2022. Full Planning approval was achieved in Aug 2022 with construction works starting on site in late 2022 with a completion date in April 2024.The New Training and Development Academy and a new Fire Station will replace the existing ageing fire stations at Croxteth and Aintree.

A review of the ageing fire stations at Bromborough and Heswall is under consideration, exploring the potential for a new joint station at a site, which would match or improve operational response, yet to be determined. However, extensive refurbishment works at these stations will still be undertaken; works at Heswall Community Fire station were completed in 2021. Works at Bromborough currently planned to take place during 2022 / 23.

In line with the recent government announcement, a review of alternative fuel vehicles will commence, with a view to have the critical infrastructure in place before 2030.

A full detailed access audit of all the Authority's properties was completed in 2021/22. A new Building Accessibility Reference Group was formed to consider the recommendations from the audit.

A route map to deliver Net zero carbon emissions was completed in 2022 and the Estates department will be working with other departments to develop a programme and approach to governance.

Appendix A – Summary of Property Assets

FIRE STATIONS					
ID	**Property**	**Details**			
10	**Kirkdale** Studholme St Liverpool	Date Of Construction No of Appliance Bays	2012 3	Total Floor Area (m2) Total Site Area (acres)	1872 0.95
11	**City Centre** St Annes St Liverpool	Date Of Construction No of Appliance Bays	2006 4	Total Floor Area (m2) Total Site Area (acres)	1516 0.59
12	**Kensington** Beech St Liverpool	Date Of Construction No of Appliance Bays	2010 2	Total Floor Area (m2) Total Site Area (acres)	962 0.025
14	**Speke and Garston** Cartwrights Farm Road	Date Of Construction No of Appliance Bays	1999 3	Total Floor Area (m2) Total Site Area (acres)	1331 1.1
15	**Toxteth** Windsor St Liverpool	Date Of Construction No of Appliance Bays	2013 2	Total Floor Area (m2) Total Site Area (acres)	885 1
16	**Old Swan** Queens Drive Liverpool	Date Of Construction No of Appliance Bays	1999 3	Total Floor Area (m2) Total Site Area (acres)	1331 1.55
17	**Belle Vale** Childwall Valley Road	Date Of Construction No of Appliance Bays	2013 2	Total Floor Area (m2) Total Site Area (acres)	1596 0.95
18	**Aintree** Longmoor Lane Liverpool	Date Of Construction No of Appliance Bays	1926 3	Total Floor Area (m2) Total Site Area (acres)	691 0.43
19	**Croxteth** Storrington Ave Liverpool	Date Of Construction No of Appliance Bays	1950 4	Total Floor Area (m2) Total Site Area (acres)	1372 0.46
20	**Birkenhead** Exmouth St Liverpool	Date Of Construction No of Appliance Bays	2013 3	Total Floor Area (m2) Total Site Area (acres)	1204 0.85
21	**Brombough** Dock Road, Wirral	Date Of Construction No of Appliance Bays	1959 3	Total Floor Area (m2) Total Site Area (acres)	926 0.8
22	**Heswall** Telegraph Road, Wirral	Date Of Construction No of Appliance Bays	1940 3	Total Floor Area (m2) Total Site Area (acres)	660 0.48
25	**Wallasey** Mill Lane Wirral	Date Of Construction No of Appliance Bays	1973 6	Total Floor Area (m2) Total Site Area (acres)	1963 1.2
26	**Saughall Massie** saughall massie Road, Wirral	Date Of Construction No of Appliance Bays	2019 2	Total Floor Area (m2) Total Site Area (acres)	647 0.48
30	**Bootle & Netherton** Buckley Hill Bootle	Date Of Construction No of Appliance Bays	2012 2	Total Floor Area (m2) Total Site Area (acres)	1421 1.2
31	**Crosby** Crosby Road North	Date Of Construction No of Appliance Bays	1961 3	Total Floor Area (m2) Total Site Area (acres)	1015 0.9
32	**Formby** Church Road Formby	Date Of Construction No of Appliance Bays	2012 2	Total Floor Area (m2) Total Site Area (acres)	813 0.57
33	**Southport** Manchester Road	Date Of Construction No of Appliance Bays	2013 5	Total Floor Area (m2) Total Site Area (acres)	1649 0.7
42	**Kirkby** Webster Drive Liverpool	Date Of Construction No of Appliance Bays	1960 2	Total Floor Area (m2) Total Site Area (acres)	915 1
43	**Prescot** Manchester Road, Prescot	Date Of Construction No of Appliance Bays	2018 3	Total Floor Area (m2) Total Site Area (acres)	1200 2
50	**St Helens** Violet way	Date Of Construction No of Appliance Bays	2020 3	Total Floor Area (m2) Total Site Area (acres)	1000 2
51	**Newton Le Williows** Borron Road	Date Of Construction No of Appliance Bays	2012 2	Total Floor Area (m2) Total Site Area (acres)	813 0.55

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 2.6
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
51a	**Newton Le Williows 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 Williows 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	**Former Newton Ambulance** Silverdale Road, Newton Le Willows	Date Of Construction No of Appliance Bays		Total Floor Area (m2) Total Site Area (acres)	 0.22
	New TDA Site Long Lane	Date Of Construction No of Appliance Bays	2023 tbc	Total Floor Area (m2) Total Site Area (acres)	tbc 12

Asset by Station	Quantity
Kirkdale	PFI
City Centre	139
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
New St Helens	140
Newton le Willows	PFI
SHQ /JCC	560
TDA	83
Vesty 1	100
Vesty 5a	50
Vesty 5b	50
Marine Rescue Unit	62
Formby LLAR	42
Newton Le Willows LLAR - 26 Silverdale Road	19
Newton Le Willows LLAR - 23 Borron Road	19
Belle Vale LLAR	34
Richie Avenue	n/a

Assets by Category (excluding PFI)	Quantity
Automatic Doors & Gates	100
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	9
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	completed
Formby	Construction of a five bed LLAR house with blue light partner accommodation	Planning permission granted, tender process under way	Jan`19	completed
Aintree	upgrade of station for day crewing arrangements, including new roof	Tender stage		completed
Vesty 1	Construction of an internal 24 hr emergency store room	tender stage	Oct`15	completed
City Centre	Demolish Claire's building and construct training tower	Building demolish, tower due for completion Mar'18		Completed
Heswall	Major Refurbishment	Completed	Jan 21	Completed
Newton Le Willows	Demolition of existing ambulance station.	Completed	Feb 21	Completed
Roofing Projects	Re-roofing to Crosby Station	Completed	Feb 21	Completed
Newton Le Willows	Construction of a five bed LLAR house with blue light partner accommodation	Planning permission granted, tender process under way	March 2023	late 2023
TDA	Construction of a new TDA and operational Fire station	Construction started	2022	2024
SHQ	Upgrade to electrical supply capacity, Air conditions within Comms room	Feasibility stage, funding application submitted to Salix	tbc	tbc

Speke	Construction of individual study rooms across 24/hr duty system station	Ongoing	March 2023	Jul`23
Old Swan	Construction of individual study rooms across 24/hr duty system station	Ongoing	March 2023	Jul`23
Various stations	Full Audit of fire stations to meet current Equality Act. Provide access to all	Ongoing, Audit completed, works to be agreed		Completed
Museum	Extension to the Heritage Museum			On hold
Kirkby	Major Refurbishment	Specification design stage	2023	2024
Bromborough	Major Refurbishment	works have been tendered	March 2023	Dec`2023
Belle Vale LLAR House	Major Refurbishment	On going	Feb 23	April 23
All locations	Review of security – access control and CCTV provision	On going	Mar 23	Mar 24
All Locations	Review of alternative fuelled vehicle- installation of EV charging points	Feasibility	Mar 23	Mar 30
Wallasey	Major refurbishment		Mar2026	

Appendix C - 2023/2028 Build / Land Five Year Capital Programme

Buildings Capital Programme 2022/23 to 2027/28

Type of Capital Expenditure		Total Cost £	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
Major Site Refurbishments								
BLD016	Community Station Investment	**73,000**	43,000	30,000				
BLD039	FS Refurbishment Heswall	**147,100**	57,100	90,000				
BLD041	FS Refurbishment Aintree	**159,900**	9,900	150,000				
BLD055	FS Refurbishment Bromborough	**1,273,700**	73,700	1,200,000				
BLD057	FS Refurbishment Crosby	**393,400**	43,400	50,000			300,000	
BLD063	FS Refurbishment Kirkby	**369,500**	4,500	365,000				
BLD070	Workshop Enhancement	**9,800**	9,800					
BLD071	Station Refresh	**21,400**	21,400					
BLD084	FS Refurbishment Croxteth	**37,400**	37,400					
BLD085	FS Refurbishment Speke/Garston	**596,500**	296,500	300,000				
BLD086	FS Refurbishment Old Swan	**596,500**	296,500	300,000				
BLD088	FS Refurbishment Kensington	**134,900**	4,900	130,000				
BLD089	FS Refurbishment Toxteth	**200,000**		200,000				
BLD090	FS Refurbishment Wallasey	**563,000**	38,000	25,000		500,000		
BLD091	TDA New Build	**38,323,100**	13,785,100	24,538,000				
BLD093	Marine rescue unit Refurbishment	**150,000**		150,000				
BLD095	Electric Vehicle Infrastructure Works	**175,000**	20,000	55,000	25,000	25,000	25,000	25,000
		43,224,200	**14,741,200**	**27,583,000**	**25,000**	**525,000**	**325,000**	**25,000**
Other								
BLD073	SHQ Museum	**191,000**		191,000				
		191,000		**191,000**				
LLAR Accommodation Works								
BLD050	LLAR Accommodation Belle Vale	**49,800**	49,800					
BLD075	LLAR Accommodation Newton-le-Willows	**834,600**	114,600	720,000				
		884,400	**164,400**	**720,000**				
General Station Upgrade Works								
BLD001	Roofs & Canopy Replacements	**368,400**	43,400	145,000	45,000	45,000	45,000	45,000

BLD003	Appliance Room Door Repairs	**125,000**		25,000	25,000	25,000	25,000	25,000
BLD004	Concrete Yard Repairs	**193,000**	30,500	72,500	22,500	22,500	22,500	22,500
BLD005	Tower Improvements	**101,600**	26,600	15,000	15,000	15,000	15,000	15,000
BLD011	Capital Refurbishment	**85,000**		15,000	15,000	15,000	15,000	25,000
BLD013	Non Slip Coating to Appliance Room Floors	**292,000**		172,000	30,000	30,000	30,000	30,000
BLD014	Boiler Replacements	**152,800**	27,800	65,000	15,000	15,000	15,000	15,000
BLD020	Electrical Testing	**249,600**	74,600	75,000	25,000	25,000	25,000	25,000
BLD031	Diesel Tanks	**19,400**	19,400					
BLD033	Sanitary Accommodation Refurbishment	**216,200**	21,200	115,000	20,000	20,000	20,000	20,000
BLD044	Asbestos Surveys	**78,400**	8,400	30,000	10,000	10,000	10,000	10,000
BLD060	DDA Compliance	**463,300**	113,300	150,000	50,000	50,000	50,000	50,000
		2,344,700	**365,200**	**879,500**	**272,500**	**272,500**	**272,500**	**282,500**
Other Works								
BLD007	L.E.V. System in Appliance Rooms	**57,500**		37,500	5,000	5,000	5,000	5,000
BLD018	Conference Facilities SHQ	**65,000**		45,000	5,000	5,000	5,000	5,000
BLD026	Corporate Signage	**54,700**	19,700	15,000	5,000	5,000	5,000	5,000
BLD032	Power Strategy	**97,000**	22,000	15,000	15,000	15,000	15,000	15,000
BLD034	Office Accommodation	**203,500**	38,500	65,000	25,000	25,000	25,000	25,000
BLD053	Headquarters Lighting	**22,900**	12,900	10,000				
BLD058	HVAC - Heating, Ventilation & Air Con	**147,200**	62,200	5,000	5,000	25,000	25,000	25,000
BLD061	Lightening Conductors & Surge Protection	**73,000**	8,000	45,000	5,000	5,000	5,000	5,000
BLD062	Emergency Lighting	**69,200**	19,200	30,000	5,000	5,000	5,000	5,000
BLD067	Gym Equipment Replacement	**268,500**	103,500	45,000	45,000	25,000	25,000	25,000
BLD092	Service Headquarters Offices	**98,600**	48,600	50,000				
BLD094	Security Enhancement Works	**152,800**	27,800	25,000	25,000	25,000	25,000	25,000
BLD096	Passive Fire Stragety	**120,000**	20,000	20,000	20,000	20,000	20,000	20,000
BLD097	Saughall Massie Wig Wags	**100,000**	100,000					
TDA001	TDA Refurbishment	**42,100**	22,100	20,000				
CON001	Energy Conservation Non-Salix	**322,900**	52,900	150,000	30,000	30,000	30,000	30,000
CON002	Energy Conservation Salix	**1,800**	1,800					
EQU002	Replacement programme for Fridge Freezers	**108,000**	33,000	15,000	15,000	15,000	15,000	15,000
EQU003	Furniture Replacement Programme	**243,700**	38,700	60,000	70,000	25,000	25,000	25,000
		2,248,400	**630,900**	**652,500**	**275,000**	**230,000**	**230,000**	**230,000**
		48,892,700	**15,901,700**	**30,026,000**	**572,500**	**1,027,500**	**827,500**	**537,500**

ICT Asset Management Plan

2023 - 2028

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ICT Asset Management Plan

1 Overview

1.1 Information and Communications 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 secure, functional, flexible ICT infrastructure possible and 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 ITIL, can lead to improvements in efficiency, performance and cost management.

ICT can be split into six key delivery areas:

- The ICT infrastructure – data, 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 O365
- Fire Control applications which run on the ICT infrastructure – Vision 5 Computer Aided Dispatch (CAD), Vision 5 BOSS, Airbus ScResponse and staff attendance
- Financial & HR applications which run on the ICT infrastructure – ABS eFinancials, ResourceLink and the Staff Attendance Recording System (S.t.A.R.S)
- Corporate applications that run on the ICT infrastructure – Tranman, Planning Intelligence and Performance System (PIPS), the intranet ‘Portal’ (SharePoint), and CFRMIS
- 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, Telent. ICT and Telent 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) or Community Risk Management Plan (CRMP) 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 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.

The introduction of Microsoft System Centre Configuration Manger (SCCM) has seen patching carried out over and above Business as Usual (BAU) activity, because of the ability to automate tasks.

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 has 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, Surface Pros and mobile devices – against viruses, malware, advanced threats and targeted attacks.

Mobile Device Management (MDM) for Samsung mobiles phones is in place, protecting our information more securely than in the past.

MDM is provided by Microsoft Intune 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), the Data Protection Act 2018 (DPA) 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 preventative 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, 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 via a request to ICT.

3.4 Audit

In 2021/2022, internal audit focused on the audit area of 'MFRA Asset Management of ICT Devices and Phones'. The audit objectives were to review the arrangements in place at MFRA for management of ICT devices and phones to obtain assurance on the adequacy and effectiveness of the controls.

The scope of the audit included examining controls relating the following areas:

- Accuracy of the ICT asset register.
- That there is a nominated officer responsible for maintaining the ICT asset register.
- New stock is added to asset register on receipt.
- That there is an effective strategy for refreshing obsolete equipment.
- Obsolete stock is disposed of in line with industry standards and the asset register is updated.
- Assets allocated to staff who leave are returned to ICT, 'wiped' and reused where appropriate.

Findings of the audit will be reviewed at the appropriate S&P ICT Board and any remedial activities will be discussed and approved.

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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 – Monthly

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 (MIR) 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 Digital Workplace allows 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 Service Delivery 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 are:

- 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 archives

5.4 Lifecycle Management

The ICT challenge is to provide the most functional, flexible ICT infrastructure possible and to host the applications that deliver benefits to the organisation, all at the lowest cost of ownership. Meeting this 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 quarterly 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 by, 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 Board

There are three thematic S&P boards in place: ICT (with Corporate Information & Systems Manager), Estates, and Performance Planning and Risk Information, which means a thematic S&P ICT Board meets every three months. The purpose of the S&P ICT 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
- Purchasing 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, if there are confirmed performance issues. 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, if there are confirmed performance issues.

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 2022/2023

The key ICT Asset movements to highlight in 2022/2023 are:

MDT rollout to the Reserve Fleet

The rollout of frontline and reserve fleet MDTs has been completed (Panasonic CF33). The rollout of MDTs (Panasonic FZ-G1) to the secondary fleet followed and this was completed in 2021/2022.

WTR alerting

The Whole Time Retained rollout has been successfully completed, with a mix of corporate and personal phones being used with the CallMy solution. Prevention have shown an interest in using CallMy to improve lone worker safety.

GPS Repeaters on Stations

Final completion of the installation and switch on of GPS signal repeaters on Station to allow a quick GPS connection as appliances are mobilised to incidents.

Force Point & Sophos

Force Point (Web Filtering) & Sophos (Anti-virus) contract renewal and a move to using the cloud versions.

Multi-Functional Device Tender

Tender proposals were received from four suppliers. The bids were reviewed and scored, and a paper citing HP as the winning vendor was approved by the Authority on 9th June 2022. Following this, HP Commissioning and Konica decommissioning of devices took place.

Upgrade to Remedy

Telent use the Remedy IT Service Management (ITSM) tool for the Service Desk and other activities. Remedy 9 went live for MFRS, incorporating a new Self Service Portal.

Decommission of Legacy VPN

The introduction of Celestix solution for two factor authentication when accessing the Corporate Network, Making use of a mobile phone app of a physical fob.

Public Wi-Fi

Provision of a new Public Wi Fi ‘appliance & firewall’ to allow greater scalability as the number of Wi Fi Access points increase and the removal of a cyber security concern.

IP TV Refresh

30 x IPTV receivers have been successfully replaced along with an upgraded Media Gateway providing additional Freeview channels across MFRS sites.

National Resilience (NR) Audio Visual

Provision of CleverTouch room solution and audio visual in the Area Manager’s Office.

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7 Fire Control Applications and Hardware Assets

Reporting to the Head of Technology, the Application 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
- Application Life Cycle Management
- 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.

There are six high level areas of ICT in Fire Control.

- **Computer Aided Despatch (CAD)** - This is where incoming emergency calls are logged, and the appropriate resources mobilised to the incidents. MFRA use the SSS (formally Capita) Vision 5 CAD application implemented in April 2021.
- **Management Information System (MIS):** providing senior officers with real time incident information and the organisation with incident history for trend analysis. MFRA use the SSS (formally Capita) Vision 5 BOSS.
- **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 and 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.

  An ICCS will work in tandem with a CAD application. The ICCS is the place where incoming emergency calls are answered, and the CAD is where the calls are logged and resources despatched. MFRA use the SSS (formally Capita) Ds3000 ICCS.

- **Wide Area Radio Scheme:** Emergency services rely on seamless radio communications coverage to effectively perform their daily tasks. MFRA, in keeping with the Police and Ambulance, use Airwave.

  NOTE: The Emergency Services Mobile Communication Programme, (ESMCP) set up by the Home Office, aims to replace the current communication service provided by Airwave. The new service will be delivered across the Emergency Services Network (ESN) and MFRA will connect to this network via a Direct Network Service Provider (DNSP). At present, however, all individual FRS activities for this project have been suspend.

- **Data Mobilisation:** Fire Control can mobilise crews to incidents by sending a message to the Mobile Data Terminal (MDT) installed in the appliance. MFRA use Mobile Data terminals running ScResponse from Airbus.

- **Station-End Turnout**: Various hardware and software components and subsystems are installed in every Merseyside Fire Community Fire Station. 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. MFRA utilise station-end Firecoders from Multitone Electronics.

7.2 Fire Control ICT Project Review

Computer Aided Despatch and Management Information System (CAD-MIS) is a series of projects where ICT has delivered, and will continue to deliver, improvements for Fire Control.

CAD-MIS Phase One

CAD-MIS Phase One: In September 2017, the Authority approved a project to replace Vision 3 FX CAD & Vision 3 MIS with 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.

The implementation of Vision 5 went live on 21st April 2021 and a period of early life support followed. Vision 5 will assist in our duty to respond to all emergency calls with a level of response appropriate to the risk, and deal with all emergencies efficiently and effectively.

CAD-MIS Phase Two

Following successful completion of Phase One activities, a prioritised list of Phase Two activities was finalised and approved. What follows is an update on the activities chosen:

- **ESN Ready & DCS** - The upgrade of the end-of-life Airwave equipment to the new Dispatch Communication Server (DCS) is ongoing and aligned to ICCS technical refresh activities. Airwave has installed the dedicated fibre at SHQ and the upgrades to core equipment and Fire Control operator positions are progressing. Following the Home Office announcement that the Emergency Services Network (ESN) will be suspended for 18-24 months from March 2023, the ESN Solution Deployment project (CCN1045) has been closed following discussions with suppliers.

- **Dynamic Cover Tool** – The MFRS internal development team have produced a new application called AURA, which satisfies all the minimum requirements highlighted. The software has now been made available for testing in Fire Control and the training room. Feedback will inform any future changes to the product including plans for moving from test to the live environment.

- **Fire Survival Guide** – An internal solution has been produced which has been implemented into Fire Control and satisfies minimum requirements. Investigations continue to explore options for an integrated solution.

CAD-MIS Phase Three

Mindful of the requirement to maintain the appropriate lifecycle management of hardware and software applications, there is a need to consider a series of related phase three activities including:

- Utilisation of the Pre-Alert function within the Vision 5 CAD.

- The potential extended use and maintenance of Airwave, associated with any ECSMP suspension of activities.

Post CAD-MIS Phase Three

Following CAD-MIS Phase Three, the Authority will be in a strong position to take stock and assess the introduction of the next generation of Fire Control Command & Control solutions.

This requirement has been Identified within the Five-Year ICT Capital Plan Commentary stating that the existing Vision 5 and the Ds3000 ICCS will need replacing circa 2027/2028 at an estimated cost of £2m and that work on a separate business case is recommended to commence in April 2024-2025.

7.3 Emergency Services Network (ESN)

In December 2021 the Authority approved ICT Capital budget growth of £770k for ICT to deliver the three elements for MFRS to become ESN Ready and maintain existing use of Airwave.

The resulting projects being:

- ESN Solution Deployment
- Ds3000 Technical Refresh
- Dispatch Communications Server (DCS) Install

However, following the early departure of Motorola from the ESMCP programme in December 2022, the Home Office have commenced a re-procurement exercise for a replacement Lot 2 supplier / Prime Contractor.

The Home Office have therefore agreed to suspend all ESN related activities from March 2023 for a period of 12 – 18 months or until such time that the re-procurement exercise completes.

Assurance Partner activities will therefore cease after March 2023 and the Home Office have thanked MFRS for the work and effort undertaken in testing the associated products and delivering many of the key project milestones.

The consequences of the ESN suspension are that whilst the Ds3000 Technical Refresh and DCS Install projects will continue and complete during 2023, the ESN Solution Deployment project will terminate with immediate effect.

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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.

To continue to use the latest versions of Microsoft products, such as Window Server, Windows 10, Windows 11 and O365, MFRA has a Microsoft Enterprise Agreement (EA) for the majority of its Microsoft software licences.

In 2023/2024 the MFRS Microsoft EA expires, and it will be renewed under the Crown Commercial Services (CCS) Digital Transformation Agreement 2021 (DTA21).

The DTA21 runs till April 2024, and it is a Memorandum of Understanding (MOU) between the UK Government and Microsoft to enable public sector organisations to continue to unlock the benefits of cloud computing and business applications

Under the EA, Microsoft has bundled together Windows, Office 365 and a variety of management tools to create a subscription suite: Microsoft 365 (M365). MFRA is licensed for M365 and this has allows ICT to deploy Microsoft Teams.

At the same time as the renewal, MFRS will award a three-year contact to a Microsoft Licensing Solution Partner (LSP). A LSP provides information and guidance about contacting, identifying, and choosing Microsoft licencing.

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 three to five year lifecycle and, prior to any future renewal, a fit-for-purpose exercise and market evaluation 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 is 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 that 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
SSRI Progress	Mainstream
National Resilience Application	Mainstream
Merseyside Fire & Rescue Service Website	Mainstream
AURA	New

9.5 Financial Implications of New or Replacement Applications

The requirement for new or replacement applications is monitored throughout the year and will follow the application governance process outlined in sections 9.2 and 9.3 of this document.

There will be one large scale application project undertaken during this five-year period, and capital reserves have been identified and put in place to support this project. The Finance, HR and time and resource management applications are due for replacement within the next two years and a provision of £254K has been included in the 5 year ICT capital programme plus £300k in the capital reserve.

In addition to the above, there has been budget allocated in the ICT capital programme to fund other applications that are planned for the next five years.

The application portfolio will be kept under review and requests for additional capital or revenue will be submitted if required. It is not envisaged that they will be significant amounts.

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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 & CRMP Project Spend	Spend on specific IRMP or CRMP projects where ICT is a major enabler e.g. station change	This spend delivers the Authority's IRMP or CRMP	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 2023/2028 Five-Year Capital Plan can be found in Appendix C – 2023/2028 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-premises, 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 transition over the coming years.

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11 Glossary

ABR	Asset Based Resourcing
AES	Advanced Encryption Standard
ALM	Application Lifecycle Management
AP	Assurance Partner
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
CFRMIS	Community Fire Risk Management Information System
CMS	Configuration Management System
CoCo	Code of Connection
CRMP	Community Risk Management Plan
CSI	Continuous Service Improvement
CTA	Cloud Transformation Agreement
DCS	Dispatch Communications Server
DML	Definitive Media Library (previously Definitive Software Library, DSL)
DNSP	Direct Network Service Provider
DPA	Data Protection Act
DTA	Digital Transformation Arrangement
ED&I	Equality, Diversity and Inclusion
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
GPS	Global Positioning System
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
MIR	Major Incident Report
MIS	Management Information System
OPS	Operational Performance System *or* 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
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
CAD Servers – Tier 1 (≤£5000)	17
CAD Servers – Tier 2 (≥£5000)	0
CAD Desktops	32
CAD Monitors	52
ICCS Servers	1
ICCS Clients	20
ICCS Touchscreen	20
ICCS Capita VAIU	20
Fire Control Headsets	40
Airwave SAN H Radio Gateway	1
Alerter Masts	4
UHF Radio Packsets	632
Station End Firecoders	27
Station End Turnout Printers	32
Station End Auxiliary Relay Unit (ARU)	32
Station End Amplifiers	34
Station End UPS	40
Modems	63
Mobile Data Terminals	43
Airwave Radio SAN A	112
Airwave Radio SAN B	10
Airwave Radio SAN J	80

Administration Infrastructure, Managed Servers & Desktop	Quantity
Servers – Tier 1 (≤£5000)	39
Servers – Tier 2 (≥£5000)	3
HPE Modular Storage Arrays (MSA)	3
HPE Storage Shelves	8
HPE Tape Library	1
Desktops	312
Laptops	26
Microsoft Surface Pro	350
Microsoft Surface Laptop	111
Microsoft Surface Book	15
Microsoft Surface Go	14
Panasonic Toughpads	99
Docking Stations (Laptops & Surface Devices)	645
Docking Stations (Toughpads)	186
Monitors	1146
Non-Standard Printers (Additional to leased HP devices)	9

HP Multi-Function Devices	53
HP Desktop Print Devices	10
Security Appliance – Tier 1 (≤£2000)	5
Security Appliance – Tier 2 (≥£2000)	5
Router – Tier 1 (≤£2000)	10
Router – Tier 2 (≥£2000)	26
Switch – Tier 1 (≤£2000)	31
Switch – Tier 2 (≥£2000)	56
Wireless Controller	1
Wireless Access Points	90
Mitel IP Sets	674
Mitel Conference Unit	12
Ubiquiti Nanobeam Wireless Bridge	2
SIKLU Radio Link	6

Miscellaneous	Quantity
Smartphones (Samsung)	364
iPhones	8
Non-Smartphones (Alcatel/Nokia)	517
MTPAS Enabled Mobile SIMS	104
MDT Enabled Data SIMS	42
iPads	13
Encrypted USB devices	141
3G/4G Dongles	33
Battery Chargers	137
Projectors (includes Smartboards)	45
Barco Click Share	11
Display Screens	29
Clevertouch Screen	4
IPTV - Gateways	1
IPTV - Receivers	30
Remote Access Tokens (Celestix)	169
Running Call Phones	24

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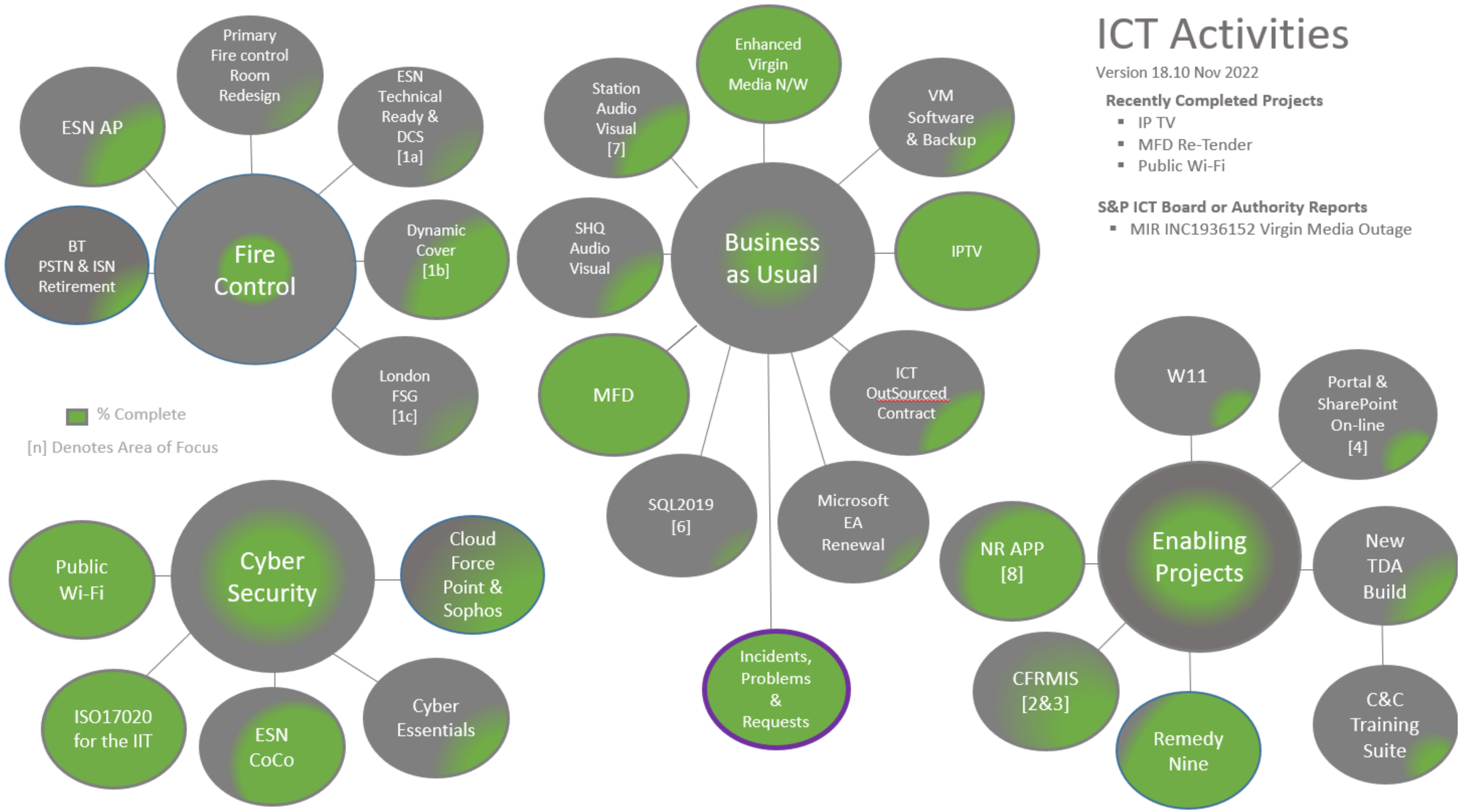
Appendix B – Key ICT Projects and Activities (S&P ICT Board 18/11/2022)



Highlighted Business as Usual (BAU)

Item	Description	Status
Incidents, Problems & Requests	These are the day-to-day disruptions to the ICT BAU Services. e.g. loss of internet, e-mail.	None since last meeting.
Enhanced Virgin Media Network	Upgrade of network connections to all MFRS sites.	Project is completed. Follow on activity is a 1gb upgrade of the SHQ internet connection and the replacement of users stacks and core switches.
Station Audio Visual	The replacement of existing projectors and smartboards with new Clevertouch Screens & 75 inch TVs, at non-PFI stations only.	Same as Areas of Focus.
Public Wi-Fi	Provision of a new Public Wi Fi *'appliance & firewall'* to allow greater scalability as the number of Wi Fi Access points increase.	Project is completed and it removes a cyber security concern. Follow on activity is to order new Wi-Fi access Points.
MFD Re-tender	The re-tender of the Multi Functional Device (MFD) contract, which expired July 2022.	Project is completed. The final phase of this project was the rollout of Apogee/HP MFDs to the whole MFRS estate. The new contract will expire in July 2027.
IPTV Refresh	The hardware that currently serves IPTV for 30 TVs across MFRS sites is now end of life and requires replacing.	30 x IPTV receivers have been successfully replaced along with an upgraded Media Gateway providing additional Freeview channels across MFRS sites.
Microsoft EA Renewal	To continue to use the latest versions of Microsoft products such as Window Server, Windows 11 and O365, MFRS will need to renew its Microsoft Enterprise Agreement (EA), which expiries 31/03/2023.	Initial preparatory meetings are taking place between Crown Commercial Service (CSS), Procurement and ICT. The current cost of the Microsoft EA is £250k.
Windows 11	On 5th October 2021 Microsoft announced it will be replacing Windows 10 with Windows 11.	Windows 11: a watching brief is in place.

Highlighted Projects

Item	Description	Status
ESN Technical Ready & DCS	Dispatch Communication Server (DCS) - Replacement of end-of-life SAN H Airwave equipment with a DCS solution. Fire Control fully integrated into the Emergency Services Network (ESN).	The projects to deliver DCS and the ICCS tech refresh continue with a project board in place and meeting regularly. The scope is being finalised to take into account changes mandated by Motorola for DCS and the hardware for the tech refresh is expected onsite at SHQ towards the end of the year for implementation at a time agreed with Fire Control. *(Verbal up date on other ESN activities on the Agenda).*
Cyber Essentials	Cyber Essentials is a simple but effective, government-backed scheme that helps to protect organisations, whatever their size, against a whole range of the most common cyber attacks.	This project involves Telent, Telent's cyber security partner Aristi, and MFRS. A meeting will take place w/c 14/11/2022 to pull together various work streams to complete the pre-assessment questionnaire.
New TDA	ICT for the new TDA, the station, Secondary Fire Control and C&C Training Suite.	Stage 4 design works - ICT is liaising with Estates, Wates and stakeholders, and weekly meetings are now in place.
BT PSTN & ISN Retirement	In 2025 the last elements of Openreach's analogue and digital ISDN copper network will be turned off as an all-IP network replaces these legacy services. The impact on telephony and broadband services is far-reaching and it will affect the 999's	LFB, Surrey and Yorkshire FRS are testing SIP for their 999s. The Cradle Point solution for secondary appliance mobilisation on Station. BT have offered to survey 10 stations free of charge and this offer is likely to be taken up.
Virtual Servers & Backup	New virtualisation and backup solution to will improve the system's resilience and business continuity and disaster recovery options, allowing servers to be easily replicated between SHQ and TDA.	Telent have been working with a Technical Solutions Architect to produce a high level design for new solution along with hardware and software quotes. Quotes are now under review.
Upgrade to Remedy 9	Telent use the Remedy IT Service Management (ITSM) tool for the Service Desk and other activities.	The Self-Service Portal went live June 2022. Follow on steps: Migration of CMDB and integration into ResourceLink.

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Appendix C 2023/24 – 2027/2028 ICT Five Year Capital Plan

ICT Capital Programme 2023/24 to 2027/28

Type of Capital Expenditure	Total Cost £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
IT002 ICT Software						
Software Licences	**10,000**	2,000	2,000	2,000	2,000	2,000
New Virtualisation Infrastructure	**75,000**	75,000				
5 Year Antivirus & Filtering Software	**20,300**	20,300				
MDT Software Solution Refresh	**100,000**	100,000				
Microsoft SQL Upgrade	**50,000**	50,000				
Logpoint Security Information and Event Mgmt (SIEM)	**206,000**	103,000			103,000	
3 Year Antivirus & Filtering Software	**150,000**			150,000		
3 Year PRTG Subscription License	**6,000**			6,000		
Microsoft EA Agreement (Servers & Security)	**155,000**	31,000	31,000	31,000	31,000	31,000
Microsoft EA Agreement (Windows & Office)	**1,210,000**	242,000	242,000	242,000	242,000	242,000
Microsoft EA Agreement (Application Development)	**185,000**	37,000	37,000	37,000	37,000	37,000
	2,167,300	**660,300**	**312,000**	**468,000**	**415,000**	**312,000**
IT003 ICT Hardware						
Desktops (target 20%)	**228,300**	44,200	40,100	48,000	48,000	48,000
Laptops/Surface Pros/Tablets/Docking Stations (target 20%)	**489,600**	66,100	62,000	120,500	120,500	120,500
Monitors & Monitor Arms (target 20%)	**74,100**	18,100	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%)	**66,340**	16,860	12,360	12,360	12,360	12,400
Mitel Handset Refresh	**135,000**					135,000
Replacement Backup Tape Drive						
IP TV Asset Refresh						
Landline Handset Refresh	**10,000**	10,000				
Audio Visual Conference Facility - SHQ	**64,100**	4,100	60,000			
Audio Visual Conference Facility - TDA						
Audio Visual Conference Facility - Stations	**4,100**	4,100				
New TDA site						
New Long Lane Station	**22,400**	22,400				
Backup Tape Drive 5-year asset refresh	**25,000**				25,000	
IPTV 5-year asset refresh	**36,800**				36,800	
Members Push Button Microphone replacement	**25,000**	25,000				
	1,195,740	**213,860**	**191,460**	**197,860**	**259,660**	**332,900**
IT005 ICT Servers						
Server/storage replacement (target 20%)	**555,600**	295,600	65,000	65,000	65,000	65,000
Server/storage growth	**84,000**	28,000	14,000	14,000	14,000	14,000
SAN 5 Year Refresh	**135,000**		135,000			
	774,600	**323,600**	**214,000**	**79,000**	**79,000**	**79,000**
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	**242,900**	42,900	200,000			
Wireless Access Points and Wireless Controllers - Increase	**74,500**	74,500				
MDT Wireless Network Replacement	**50,000**		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			
PSTN replacement asset refresh	**125,000**				125,000	
Enhanced Virgin Media Network Phase Five Wireless Access P	**150,000**					150,000
	822,400	**134,400**	**337,000**	**42,000**	**142,000**	**167,000**
IT026 ICT Operational Equipment						
Pagers/Alerters	**20,000**	4,000	4,000	4,000	4,000	4,000
Callmy Alert	**5,000**	1,000	1,000	1,000	1,000	1,000
Station Equipment Replacement	**50,000**	10,000	10,000	10,000	10,000	10,000
GPS Repeater 5-year asset refresh	**55,000**					55,000
Toughpad Asset Refresh - Vehicles	**150,000**		150,000			
MDT Replacement (Not incl. in ESMCP)	**75,000**	75,000				
NEW Station End Network Equipment Asset Refresh	**140,000**			140,000		
Increase in Appliances - Equipment	**25,400**	25,400				
ICU existing hardware 5-year asset refresh	**20,000**				20,000	
MDT (Screen & CPU) Front Line Vehicles asset refresh	**210,000**				210,000	
Bromborough Station Refurbishment	**30,000**	30,000				
	780,400	**145,400**	**165,000**	**155,000**	**245,000**	**70,000**

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Appendix C 2023/24 – 2027/2028 ICT Five Year Capital Plan - Continued

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Bromborough Station Refurbishment	**30,000**	30,000				
	780,400	**145,400**	**165,000**	**155,000**	**245,000**	**70,000**
IT027 ICT Security						
Remote Access Security FOBS	**10,000**	2,000	2,000	2,000	2,000	2,000
Celestix 3-year renewal - VPN tokens	**44,000**	22,000			22,000	
	54,000	**24,000**	**2,000**	**2,000**	**24,000**	**2,000**
IT058 New Emergency Services Network (ESN)						
ESN Radios / Infrastructure - Estimate	**40,000**	40,000				
	40,000	**40,000**				
IT063 Planning Intelligence and Performance System						
PIPS System upgrade	**120,000**	120,000				
	120,000	**120,000**				
Other IT Schemes						
IT019 Website Development	**40,000**			40,000		
IT028 System Development (Portal)						
IT030 ICT Projects/Upgrades	**25,000**	5,000	5,000	5,000	5,000	5,000
IT055 C.3.I. C.&.C Communication & Information	**25,000**	5,000	5,000	5,000	5,000	5,000
IT059 ESMCP Project Control Room Integration						
IT062 Capita Vision 3 Update (CFO/058/17)	**25,900**	25,900				
IT064 999 Emergency Streaming (999EYE)	**40,000**	40,000				
IT065 Dynamic Cover/Response Tool	**35,000**	35,000				
IT066 ESN Ready						
IT067 DCS Upgrade						
IT068 Command & Control Suite	**501,000**	501,000				
FIN001 FMIS/Eproc/Payroll/HR Replacement	**253,500**	253,500				
	945,400	**865,400**	**10,000**	**50,000**	**10,000**	**10,000**
	6,899,840	**2,526,960**	**1,206,460**	**1,018,860**	**1,174,660**	**972,900**

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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.	Prohibited	N/A
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.	Prohibited	N/A

Goldmine (Front Range)	This is a CRM application used by Fire Service Direct in the Community Fire Safety arena.	Prohibited	N/A
HFSC App (SharePoint Portal)	InfoPath form used by stations to record and refer home fire safety checks	Prohibited	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.	Prohibited	N/A
Business Objects	A reporting tool used in Finance.	Mainstream	31/08/2024
E-Financials & E-Procurement	Finance, stores and procurement package	Mainstream	31/08/2024
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.	Mainstream	29/11/2023
Civica 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	31/12/2023
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	31/08/2024
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	01/07/2023

PageTiger	Software that ensures new joiners have all the information they need for a productive onboarding.	Mainstream	11/11/2023
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	31/07/2023
Airbus Hydra	Water management solution that manages data relating to hydrants.	Mainstream	31/05/2023
Draeger	BA (Breathing Apparatus) testing software	Mainstream	24/02/2024
LearnPro (EFS)	eLearning Management Systems provided by eFireService Ltd	Mainstream	30/04/2023
XVR Simulation	Virtual reality incident command training software for emergency services.	Mainstream	24/05/2023
Auto CAD Architecture (Graitec)	CAD (Computer Aided Design) software	Mainstream	06/01/2024
Timewatch PLC – White Space	Training Resource Planner	Mainstream	31/08/2023
SSRI Progress	Captures site specific risk information and presents it to crews via the MDTs.	Mainstream	N/A
Voyager Fleet	Black box data logger on vehicles.	Mainstream	29/04/2023
CAPITA Vision 5	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	31/03/2024

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	31/03/2024
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.	Prohibited	N/A
SAN H 8-port	Firelink delivered solution via CCN 239 that allows the CAPITA DS3000 ICCS to connect directly to the Airwave Network for both Voice and Data communication.	Mainstream	Rolling monthly renewal until ESN completed
Vision 5 BOSS	Management Information: providing senior officers with real time incident information and the organisation with incident history for trend analysis.	Mainstream	31/03/2024
AIRBUS Sc-Response	Data Mobilisation and Operational Risk retrieval. As part of the replacement programme for the existing SEED (BRIGID) system.	Mainstream	31/08/2025
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.	Prohibited	N/A
OSHENS	Health & Safety management information system.	Mainstream	31/12/2023
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	28/02/2023
Ximes	Shift pattern modeller	Mainstream	18/10/2023
StARS	TRM (Time and Resource Management) staffing system.	Mainstream	28/09/2024
AVCO Anycoms	Middleware that reduces the requirement for manual input and transfers files securely between local authorities.	Prohibited	N/A
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	25/02/2023
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
InPhase - 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	13/07/2023
Silversands – SharePoint Support	SharePoint Portal is used to provide the corporate intranet and central repository for MFRA core data.	Mainstream	26/01/2024

MapInfo GIS	MapInfo is a geographical information system used within Strategy and Performance to display and analyse geo-spatial datasets.	Mainstream	30/05/2023
Fueltek	Fuel management system	Mainstream	31/05/2023
HR Solutions Hub – Firefighter Sift Tool	Online assessment and sift tool for Firefighter recruitment	Mainstream	31/12/2022
ProContract - Proactis	An online Portal for managing the processes around e-tendering and contracts.	Mainstream	31/03/2024
National Resilience Management System (inc. ESS)	A management system used by the National Resilience Assurance Team (NRAT) and the National Coordination Centre (FRSNCC).	Mainstream	N/A
Civica CFRMIS (Community Fire Risk Management Information System)	An application used to collect and manage information relating to Protection, Prevention and Preparedness. All information will be stored in a single database and shared between the three functions.	Mainstream	16/12/2023
Effective Command – K Lamb Associates	The Effective Command™ tool collates data using 3 different applications: Training, Incident Monitoring and Formal Assessment.	New	31/03/2023
AURA	An application produced by our internal development team that displays real-time locations and response coverage of MFRS appliances.	New	N/A

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Transport Asset Management Plan

2023/ 2028

Contents

Transport Asset Management Plan

1 Overview

This plan supersedes all previous Transport Asset Management Plans (TAMP) and covers the period 2023/24 – 2027/28. The plan is updated on an annual basis in conjunction with the 5-year Capital Programme. The TAMP details all information relevant to the management and maintenance of the Merseyside Fire and Rescue Service (MFRS) vehicle fleet.

The Operational Preparedness Functional Plan, Service Delivery Plan and Integrated Risk Management Plan (IRMP) provide the focus for the annual review of the TAMP, which in turn guides the development of the proposed 5-year vehicle capital programme. Members' consider the Capital Programme proposals as part of the Budget and Medium-Term Financial Plan that is approved each year at the Budget Authority meeting.

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, offer value for money and 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.
- Compliance with Her Majesty's Government's Road to Zero Strategy and the Prime Minister's Ten Point Plan for a Green Industrial Revolution.

As a number of the vehicle assets have a longer asset life than 5 years the Operational Preparedness Directorate maintain a longer-term strategic asset review to ensure the requirements of the organisation are planned for. The strategic asset refresh review will incorporate consideration of new technologies and service developments. The governance of these programmes is through the Operations Board, SLT and the MFRA.

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 by MFRA.

The Capital programme is 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 innovations.

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 of 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 is based on several factors including vehicle age, condition, repair and projected maintenance costs plus the additional requirements of service delivery activity. This ensures that 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. This in turn supports 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, in maintaining their emergency vehicles.
The Transport functions 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 – Detailed specifications are drawn up using an in-house consultation process with the proposed end users to ensure the final specification is fit for purpose. Research and development are carried out in house, a build design 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 Maintenance Records
- Vehicle Excise duty
- Registration and licensing
- Fuel
- Availability monitoring
- Incident investigation
- Whole life costs

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. Most repairs, maintenance, conversion or vehicle modification is carried out in house by qualified certificated staff.

Engineering and Technical Support – the transport function is 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. During normal working hours, faults are reported through the Tranman web portal and if required this is followed up with a telephone call to workshops where the correct response is decided. Out of normal working hours, faults are reported through the Tranman web portal and are followed up with a phone call to Control if the fault is major. Control will then contact the on-call transport manager who will determine the most efficient response. The major consideration is the length of time the vehicle will spend unavailable as this may have a significant impact on 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 the option for a mechanic to attend the operational fire ground to ensure appliance effectiveness and reliability is maintained at the incident should this be deemed necessary by the incident commander. 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 that involves an MFRS vehicle.

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

- The disposal of MFRS 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 repurposed, scrapped, 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 for disposal 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 significant value, an SLT report will be provided and presented by the Director of Operational Preparedness. Any vehicle identified for disposal can only be actioned in accordance with the terms of MFRA's constitution..

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 purchased 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.
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 planned and unplanned maintenance. The transport department has the responsibility of ensuring that the fleet is operated within Transport legislation and health and safety regulations. 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 produces a full audit trail. All vehicle maintenance records are documented electronically along with a hard copy of service sheets. 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 vehicles 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 purposes for the purchase of appliances, it is beneficial to spread the replacement cost over a longer period 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 batches also allows MFRS to keep pace with new technology and innovations in design and development within the FRS business model.

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

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.

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 broken down into eight categories for ease of identification,

- Pumping appliances
- Special appliances
- Aerial appliances
- Officer response vehicles
- Blue light ancillary
- Ancillary vehicles
- Marine fleet
- Lease cars
- Grey fleet (Non MFRS vehicles)

Pumping appliances - Vehicles that comprise of a water storage tank and a firefighting multi-pressure fire pump. These appliances are designed as rescue pumps that carry specialist rescue and cutting equipment.
Pumping appliances are placed into 5 groups to manage the replacement programme, they are, Papa 1, Papa 2, Papa 3, 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. These are all wheel drive vehicles for use in adverse weather conditions. These vehicles are a mixture of provided and lease vehicles. (See Section 8 for lease vehicles).

Blue light ancillary- These vehicles are smaller operational response vehicles, such as water support unit, water rescue unit, wildfire vehicle, drone vehicles etc.

Ancillary vehicles - Vehicles that are 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.

Marine Fleet- MFRS Marine fleet consists of two Atlantic 75 ex RNLI rescue boats based on the River Mersey.

Lease Cars –The majority of these cars are for Fire officers and used for response to emergency calls and personal use. There are also a number of cars used by managers in their day-to-day role within the authority. (See Section 8)

Grey Fleet - Vehicles that are privately owned by employees and are used in connection with the employer's 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 categories are not used for emergency response.

Overview of Vehicle Types

Pumping Appliances

- 30 x Rescue Pumps
- 1x Specialist Pump (SRT)
- 1 x MTA appliance
- 10 x Reserve appliances,
- 1 x Reserve specialist pump (SRT)
- 9 x TDA appliances
- 1 x Youth Engagement

Special Appliances Operational

- 4 Aerial Appliances
- 2 Wildfire Vehicles
- 6 x Prime Movers
- 13 x Demountable pods
- 1 x Crane Lorry
- 1 x LGV Driver Training Vehicle
- 21 x Officer Response Cars [4x4]
- 4 x IIT Officer Response Cars [4x4]
- 1 x Welfare Unit

- 1 x Water Rescue Unit
- 1 x Out of Area Deployment
- 1 x Canine Unit Mercedes Vito
- 1 x HVP Support Van
- 2 x Atlantic 75 rescue Boats
- 1 x Hovercraft
- 2 x Blue light Mini Busses

Ancillary Vehicles

- 21 x Station resilience cars
- 7 x PCV
- 31 x Vans
- 64 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
- 13 x Trailers

Officers Lease Cars

- 25 x Cars

Vehicles identified for disposal

- 6 Appliances
- Ancillary cars and vans
- CSU
- Hovercraft
- 28m CPL

National Resilience Vehicles

- 6 x Prime Movers
- 8 x PODS
- 1 x 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 and support appliances. Currently, MFRA maintains its reserve fleet of pumping appliances at 25% - 4 to 1.

We have four fully kitted reserve appliances which are used for scheduled maintenance on the appliance and all its equipment, short term repairs and modification programmes. This allows the downtime of the operational appliance to be kept to a minimum. MFRA have six un-kitted reserve appliances that are utilised for medium to long term unscheduled work. This is to ensure suitable and sufficient operational resilience is always available.

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

6. Asset Refresh Programme

The timescales for the MFRS vehicle asset refresh programme are detailed below.

- Papa 1 and Papa 2 Pumping Appliances will be replaced at 10 years. This then creates a roll down process of the refreshed appliances to move to Papa 3, reserve and support appliances positions. This will enable MFRS to achieve a life period for Papa 3 and reserve appliances of no more than 16 years and support appliances of no more than 19 years. This is for the period 2023 -2028, if there were to be an increase or decrease in fleet size, the replacement programme would need to be altered.
- Special Appliances are replaced after 15 Years.
- SRT appliance to be replaced at 10 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 between 5 -10 years dependant on use.
- Demountable Pods to be replaced after 20 years

A Long-Term Capability Management Programme has been established and introduced for the replacement of PODs following an extensive POD review process.

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.
The replacement of ancillary vehicles is not purely based on age; the following factors are taken into consideration prior to the replacement of the vehicles.

- Condition
- Mileage
- Usage
- Reliability
- Corporate image
- Cost effectiveness

Vehicle refresh for 2023/24 include

- 1 x High Reach Extendable Turret vehicle
- Various PODs
- Various Cars and Vans.
- Flexi-duty officer response vehicles

A detailed breakdown of all vehicle purchases can be seen in the 5-year capital programme.

7. Environmental Considerations

Ongoing practical considerations to reduce the carbon footprint of MFRS have been implemented over recent years. Environmental initiatives currently practiced within the transport and workshops functions are as follows.

- The re-grooving, 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 (CH_4)
- Nitrous Oxide (NO)
- Hydro Fluorocarbons (HFC's)
- Sulphur Hexafluoride (SF_6)

The largest global emissions by volume is 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 guidelines 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 MFRA 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 Adblue 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 2020, the government set new targets on vehicle emissions for vehicle manufacturers and transport operators to achieve.

Their main aim is to reduce pollutants produced by vehicle emissions and remove the sale of new petrol and diesel engine powered vehicles by 2030. In short, to move to using alternative powered vehicles.

Although the technology is available within the industry, it is mainly at this time used in small cars and vans. Technology to advance the driving range, the life of electric vehicle batteries and the performance of vehicles is improving all the time. These vehicles are however more expensive to purchase at present and charging infrastructure needs to be implemented before MFRA can move forward with introducing Ultra Low Emission Vehicles (ULEVs) into the fleet.

Developments are being made in the fire appliance market with two suppliers developing fully electric B type fire appliances. At present, these are expensive in comparison to their diesel equivalents (2-3 times more expensive). The Transport department will continue to monitor the development of these vehicles over the coming year.

The Authority needs to be mindful that continued investment is required to achieve the 2030 targets set out by the Government. Investment is needed in the vehicle capital refresh programme for its ancillary fleet of cars and vans and pumping appliances. Additional investment within the estates department will be needed 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, to determine the best route for MFRS to take to achieve government targets, looking at: -

- Types of available vehicles and their capabilities
- Price of vehicles, Investigate purchase or lease options
- Maintenance costs
- Whole life costs.
- Charging 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.

The move to ULEVs is a small part of a wider organisational move to net zero carbon emissions. A “Preparing for 2030” group has been formed which will report into the Estates strategic Group for direction and governance.

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

CAFS, which is utilised to enhance the MFRA firefighting capability has been utilised within the fleet since 2005. This system uses a foam/water/air mixture to produce a firefighting media that 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 have operated two types of vehicle leasing.

- Senior Officer Vehicles - this scheme allows uniformed senior officers to lease a vehicle for business and private use. These vehicles have to meet a set criteria set out within the relevant Service Instruction. 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. Ancillary vehicles are purchased through a government framework agreement (Crown Commercial Services) and are kept for between 5 years and 10 years depending on use. At end of life the vehicles are disposed of through public auction or closed bids from within the Service. This has produced a good resale value and the whole life cost of those vehicles is below that of any lease or long-term hire agreement.

- With the potential introduction of ULEV's into the fleet an analysis of lease, versus outright purchase will be undertaken to determine the most cost-effective route to market for MFRS

- Fire appliances – these 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 two primary vehicle hire companies that provide a low hire rate. The agreement also ensures that the vehicles are delivered to and collected from service premises.

10. Whole Life Costs

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

MFRS have replaced fuel pumps at their premises. These systems will allow all fuel usage to be up-loaded into the fleet management system to 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 that is tested periodically throughout the year using different scenarios. (Link to Transport Business Continuity Plan)

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

13. Internal Audit

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

If there are any shortcomings in these processes, then the auditor will make recommendations to remedy them in the final report.

MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	BUDGET AUTHORITY MEETING		
DATE:	23 FEBRUARY 2023	REPORT NO:	CFO/63/22
PRESENTING OFFICER	IAN CUMMINS DIRECTOR OF FINANCE AND PROCUREMENT		
RESPONSIBLE OFFICER:	CHIEF FIRE OFFICER PHIL GARRIGAN	REPORT AUTHOR:	IAN CUMMINS
OFFICERS CONSULTED:	STRATEGIC LEADERSHIP TEAM		
TITLE OF REPORT:	MERSEYSIDE FIRE AND RESCUE AUTHORITY BUDGET AND FINANCIAL PLAN 2023/2024 – 2027/2028		

APPENDICES:	APPENDIX A:	DRAFT SUMMARY REVENUE BUDGET ANALYSIS
	APPENDIX B:	PROPOSED CAPITAL PROGRAMME 2023/24 – 2027/28
	APPENDIX C:	PROPOSED 2023/24 – 2027/28 FIVE YEAR MTFP
	APPENDIX D:	RESERVES
	APPENDIX E:	DISCRETIONARY SERVICES FEES AND CHARGES

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 reflective of its budget principles.

2. This will enable the Authority to set a budget for 2023/2024 whilst determining a precept level, which is in line with statutory requirement

Recommendation

It is recommended that Members consider the report and proposed budget and:-

3. Note the 2023/2024 service budget set out in the report.

4. Note the lobbying of government undertaken by the Authority to secure council tax flexibility and an inflation reflective increase in grant for 2023/24.

5. Endorse the Director of Finance and Procurement's recommendation on maintaining the current level of general fund balance at £3.000m, and maintaining the reserves as outlined in Paragraph 150 to 158 of this report.

6. Endorse the current plan to increase the precept by £5.00 (6%) for 2023/2024, raising the Band D Council Tax from £83.61 to £88.61 and confirm the strategy for future precept rises (the plan assumes further increases of just under 3% in 2024/25 and then just under 2% in each year thereafter).

7. Endorse the assumptions in developing a five-year financial plan outlined in the report and approve the 2023/2024 budget estimate of £67.921m.

8. Approve 2023/2024 – 2027/2028 updated Medium Term Financial Plan (MTFP) outlined in the report and summarised in Appendix C.

9. Approve the discretionary fees and charges uplift outlined in the report and summarised in Appendix E.

10. Approve the capital strategy and investment strategy as summarised in Appendix B.

11. Approve the Minimum Revenue Provision (MRP) strategy for 2023/2024 as outlined in paragraph 88 to 97 of this report.

12. Note the prudential indicators relating to the proposed capital programme, outlined in paragraphs 103 to 105 of this report.

13. Approve the Treasury Management Strategy outlined in Section F and agree the Treasury Management indicators set out in the section for:-

    a) External Debt
    b) Operational Boundary for Debt
    c) Upper limits on fixed interest rate exposure
    d) Upper limits on variable rate exposure
    e) Limits on the maturity structure of debt
    f) Limits on investments for more than 364 days

14. Note that the recommendations above provide an approved framework within which officers undertake the day-to-day capital and treasury management activities.

Introduction and Background

15. The Authority is required to determine its budget and precept level for 2023/2024 by 1st March 2023.

16. This report will present all the necessary financial information in a single report.

This report considers:-

a. Forecast Revenue Estimates
b. The Proposed Capital Programme
c. Any Revenue Savings and Growth Options
d. The Treasury Management Strategy
e. The Minimum Revenue Payment Policy for the Authority

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

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

18. The following report structure will be adopted:-

Section	Focus	Paragraph
A	Executive Summary	18 - 34
B	Background Information	35- 67
C	Capital Programme Strategy	68- 87
D	Minimum Revenue Provision Statement	88 -97
E	Prudential Indicator Report	98 -108
F	Treasury Management Strategy Statement	109-111
G	Revenue Forecasts 2023/2024 – 2027/2028	112-138
H	Adequacy of Reserves and Balances	139-160
I	Budget Timetable & Resolution	161-164

A) EXECUTIVE SUMMARY

19. The Authority must set a balanced 2023/2024 budget and precept level by 1st March 2023.

20. The budget and financial plan should allocate resources in line with the Authority's Vision and Purpose:-

Our Vision:
To be the best Fire and Rescue Service in the UK.
One team, putting its communities first.
Purpose:
Here to serve. Here to protect. Here to keep you safe.

21. Members approved a 2022/2023 – 2026/2027 medium term financial plan (MTFP) at the Budget Authority meeting on 24th February 2022. Based on assumptions around the 2023/2024 and future years funding and expenditure, the MTFP identified a neutral position in 2023/2024 with a potential £0.994m financial challenge by 2026/2027. Due to the uncertainty over the future funding and expenditure, the Authority agreed to deal with any financial challenge once its future Government funding had been confirmed.

22. The MTFP has now been updated for the 2023/2024 Government Settlement Funding Assessment, (SFA), and takes account of the changes to the MTFP's assumptions and technical adjustments that Members approved at the January 2023 Budget Strategy day. Section G of this report outlines in detail all of the changes in the proposed new MTFP. The changes to the current MTFP are summarised below :-

	2023/24	2024/25	2025/26	2026/27	2027/28
Current 2022/23 MTFP Forecast (Surplus) / Deficit	0	775	883	994	994
Summary of impact of changes to 2023/24 MTFP	0	-92	-36	-272	46
Forecast (Surplus) / Deficit	0	683	847	722	1,040

23. Overall, the changes to the assumptions, technical adjustments, and funding amendments have maintained the forecast balanced position for 2023/2024, and the updated MTFP is attached to this report as Appendix C.

24. Although a deficit is forecast from 2024/2025 onwards, uncertainty over Government funding; potential changes to the funding mechanism; and future pay awards, means a substantial level of uncertainty exists over these forecasts. Members are therefore asked to simply note any forecast financial challenge at this time.

25. As with any assumptions those built into the medium term financial plan will be at risk from factors beyond the Authority's control, for example pay awards. If any actual future cost or funding level vary to MTFP assumption 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 2023/2024 budget and MTFP balanced will be considered by Members' as part of this reporting process.

26. The proposed updated MTFP assumes the Authority will increase the 2023/2024 precept by the maximum, £5.00, before the Authority is required to undertake a referendum. If the Authority wished to hold a referendum and increase the precept by more than £5.00, then the Authority would face a risk, if the electorate voted against the increase, of incurring the expense of re-billing all the districts within Merseyside at an estimated cost of +£1m. DLUHC have indicated the offer of a 2023/2024 £5.00 precept limit was for 2023/2024 only. DLUHC have provisionally set a referendum limit of just under 3% for 2024/2025.

27. 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 H of this report. As a consequence, committed reserves at the start of 2023/2024 are estimated at £17.006m, of which £10m will be utilised by the end of 2024/2025. The overall movement in reserves over the next five years is outlined below :-

Committed Reserves														
	Balance C/fwd From 2022/23	Re-align ment	Revised Balance C/fwd from 2022/23	Estimated 2023/24 Use	Estimated 2024/25 Use	Estimated 2025/26 Use	Estimated 2026/27 Use	Estimated 2027/28 Use	Estimated 2028/29 Use	Estimated 2029/30 Use	Estimated 2030/31 Use	Estimated 2031/32 Use	Estimated 2032/33 Use	Held to Cover Risk
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Emergency Related Reserves														
Bellwin / Emergency Planning	222		222											222
Insurance Reserve	499		499											499
Modernisation Challenge			0											
Smoothing Reserve	1,788	-788	1,000											1,000
Pensions Reserve	590		590		-375	-215								0
Recruitment Reserve	1,450	300	1,750		-300	-300	-300	-300	-300	-250				0
Invest to Save / Collaborations	282		282		-282									0
Collection Fund Reserve	1,114	-864	250											250
Capital Investment Reserve			0											
New TDA & Station	6,316		6,316	-6,316										0
Other	785	1,202	1,987	0	-1,890	-150	0							-53
PFI Annuity Reserve	1,373		1,373	-69	-75	-80	-90	-100	-110	-120	-130	-140	-150	309
Specific Projects														
Community Sponsorship	55		55		-55									0
Equipment Reserve	195		195		-195									0
Community Engagement	2		2		-2									0
Training Reserve	50	150	200		-200									0
Health and Wellbeing	0		0											0
Inflation Reserve	1,650		1,650											1,650
Clothing	90		90		-90									0
Ringfenced Reserves														
Community Risk Management	305		305		-155	-150								0
Energy Reserve	201		201	68										269
New Dimensions Reserve	39		39		-39									0
Forecast Use of Reserves	17,006	0	17,006	-6,317	-3,658	-895	-390	-400	-410	-370	-130	-140	-150	4,146
Earmarked Reserves Bal C/fwd	17,006	0	17,006	10,689	7,031	6,136	5,746	5,346	4,936	4,566	4,436	4,296	4,146	4,199
General Revenue Reserve	3,000	0	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total Reserves	20,006	0	20,006	13,689	10,031	9,136	8,746	8,346	7,936	7,566	7,436	7,296	7,146	7,199

28. The Director of Finance and Procurement recommends the Authority maintains the current General Fund Reserve of £3.000m.

29. 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.

30. The proposed five-year capital programme is detailed in section C of this report. The table below summarises the proposed £54.952m of investments which are mainly in the Authority's property (including a new TDA/station), vehicles and ICT assets.

Capital Expenditure	Total Cost £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
Building/Land	32,991,000	30,026,000	572,500	1,027,500	827,500	537,500
Fire Safety	3,175,000	635,000	635,000	635,000	635,000	635,000
ICT	6,899,840	2,526,960	1,206,460	1,018,860	1,174,660	972,900
NRAT Resilience Assets	0	0	0	0	0	0
Operational Equipment & Hydrants	4,107,300	977,800	1,546,000	462,000	390,500	731,000
Vehicles	7,778,650	2,096,800	1,300,850	2,176,000	200,000	2,005,000
Expenditure	54,951,790	36,262,560	5,260,810	5,319,360	3,227,660	4,881,400

31. The Authority needs to be mindful of the revenue costs of borrowing. The Table below outlines how the £54.952m of investment will be funded;

Financing Available	Total £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
Capital Receipts	3,915,000	3,915,000	0	0	0	0
RCCO	1,875,000	375,000	375,000	375,000	375,000	375,000
Capital Reserves	6,315,900	6,315,900	0	0	0	0
Grants	0	0	0	0	0	0
Total Non Borrowing	12,105,900	10,605,900	375,000	375,000	375,000	375,000
Unsupported Borrowing	42,845,890	25,656,660	4,885,810	4,944,360	2,852,660	4,506,400
Total Funding	54,951,790	36,262,560	5,260,810	5,319,360	3,227,660	4,881,400

32. The proposed capital programme has a borrowing requirement of £25.657m in 2023/2024 and £42.846m across the whole life of the plan. These commitments have been built into the proposed financial plan, and 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 (see Section E of the report).

33. 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 and Procurement to manage investments and borrowing within.

34. The proposed strategy is set out in Section F and includes limits for the next three years on :-

    a) Overall Level of External Debt
    b) Operational Boundary for Debt
    c) Upper limits on fixed interest rate exposure
    d) Upper limits on variable rate exposure
    e) Limits on the maturity structure of debt
    f) Limits on investments for more than 364 days

35. 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 and Procurement has reviewed the MRP policy in line with the legislation and the report outlines the proposed MRP policy for 2023/2024 and future years in section D of this report.

B) BACKGROUND INFORMATION

36. This section provides general financial information on the Authority's finances and financial health.

37. 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 rolling five year medium term financial plan (MTFP) and capital programme.

38. During 2010 to 2020, the Government 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) 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.

39. In 2010 the Authority;

    a) employed approximately 1,000 Full Time Equivalents (FTE) firefighters,
    b) employed 42 FTE fire control staff,
    c) employed 425 FTE support and technical staff,
    d) had 42 wholetime fire appliances immediately available and 1 retained - 43 appliances in total,
    e) had 26 full time fire stations.

40. The current budget provides for;

    a) 642 FTE firefighter, (36% lower),
    b) 32 FTE staff in fire control, (21% lower)
    c) 290 FTE support and technical staff, (32% lower),
    d) Appliances;
        i. Days: 27 immediately available plus 4 on a 30 minute recall
        ii. Night: 21 immediately available plus 10 on a 30 minute recall
    e) 22 fire stations maintained by a variety of demand led duty cover systems.

41. The proposed MTFP looks to;

    a) Respond to the increased 2022/2023 firefighter pay offer of 7%.
    b) Protect the operational establishment at 642 FTE through prudent financial management despite the increased pressure on the budget.
    c) Improve the firefighter training resources at the TDA, and

d) Affirm the number of retained contracts required to underpin the Hybrid/DCWTR Duty system (reflecting the IRMP 2021/24 goal of having 32 fire engines available),
e) Embedding the increase in Control staff into the permanent establishment, 32 to 35 posts including Station Manager.
f) Improving the operational management provision by creating 20 new Crew Manager roles, and
g) Allocate a provision of £0.334m in the MTFP from 2023/2024 to cover these frontline investments, and
h) Include £0.050m budget to deal with the risks posed by contaminants and alternative fuels to firefighters.
i) To tackle the current recruitment and retention challenges around key non-operational posts, the proposed MTFP includes an annual £0.300m provision to enable a review of relevant post grades and the establishment, in order to improve current resilience within key service areas.

42. The Authority's revenue budget requirement (gross day-to-day revenue spending less fees, specific grants and other income) is funded approximately 50% from the Government and 50% from Council Tax (precept income).

Government Funding - Settlement Funding Assessment (SFA):

43. The Government announced a number of measures to assist with the Country's economic recovery post Covid-19 and cost of living crisis. One of the measures was to continue freezing business rates in 2023/2024, rather than apply the September 2022 CPI increase of 10.1%. This had a significant impact on the 2023/2024 SFA, as the Baseline element of the SFA is directly linked to the business rates and any freeze would impact on the amount available to distribute to authorities. The Baseline element makes-up approximately 63% of the Authority's SFA. The Government acknowledged this and announced an increase in the business rates compensation grant of £1.500m. In addition, a revaluation of Business Rates resulted in an increase in the Baseline funding of £0.754m.

44. The other element that makes up the SFA is the 2023/2024 Revenue Support Grant (RSG). The 2023/2024 allocation increased by £1.175m or 10.1%.

45. The overall change in SFA/Business Rates compensation grant funding was 10.8% or £3.429m. This equates to £3.112m above the level of funding assumed in the 2022/2023 MTFP.

Government Funding - Services Grant 2023/2024

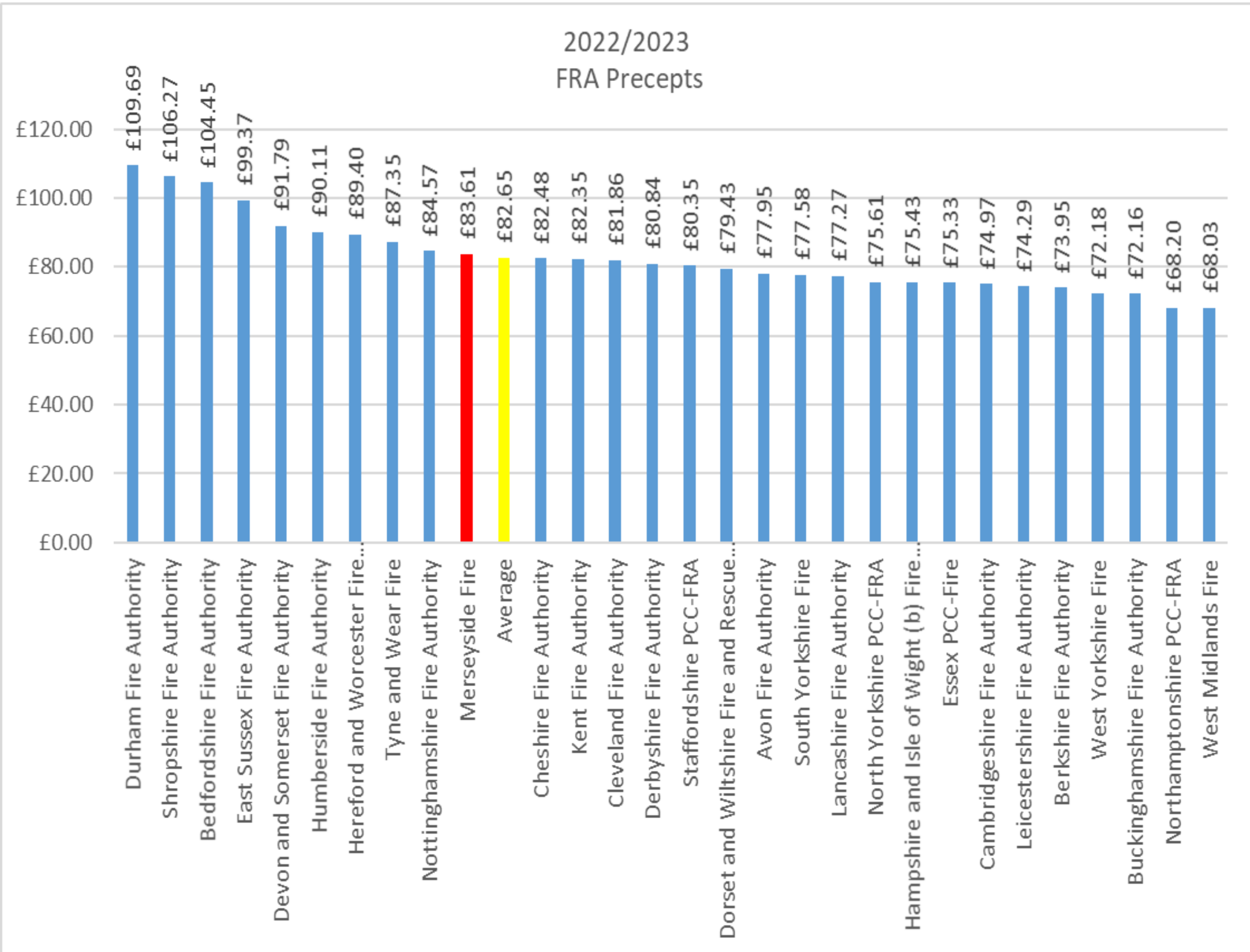
46. The Government announced a new £822m unringfenced "one-off" Services Grant for 2022/2023, the Authority's grant allocation was £1.388m. The grant included funding to offset the planned increase of 1.25% in employer National Insurance Contributions from April 2022. The Government stated that this new grant was a one-off, but the intention was that the Government would work closely with local government on how to best distribute this funding from 2023/2024 onwards. The proposed MTFP assumed an ongoing Services Grant of £1.388m p.a. The Authority has received a Services Grant of £0.814m in 2023/2024, a reduction of £0.574m,

however £0.336m of this is due to the reversal of the proposed NI increase. The proposed MFTP assumes a Services Grant of £0.814 in future years.

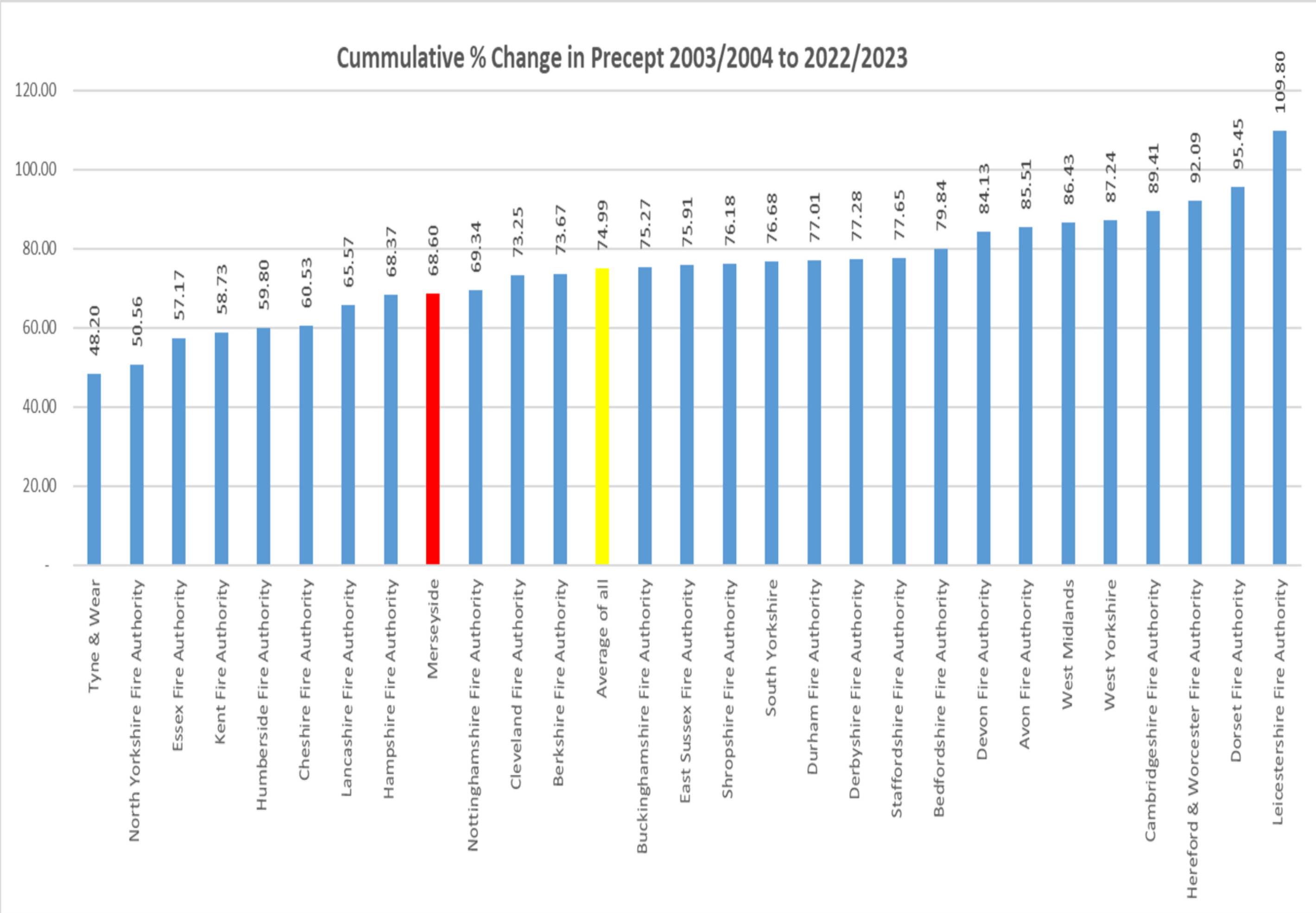
Council Tax:

47. The level of council tax yield is dictated by the number of properties and the level of charge on each. Each year the billing authorities provide the Authority with the estimated Band "D" equivalent tax base and this is then used to calculate the expected council tax income based on a Band D Precept charge. The Authority then notifies each billing authority of the Precept to charge each property band and the forecast income yield that the billing authority must pay the Authority.

48. The Authority's current, 2022/2023 Band D Council Tax (£83.61), is slightly above the FRS national average of £82.65, as shown in the bar chart below. The proposed £5.00 increase to £88.61 in 2023/2024, is unlikely to change this position as the £5.00 flexibility has been offered to all stand-alone FRAs.

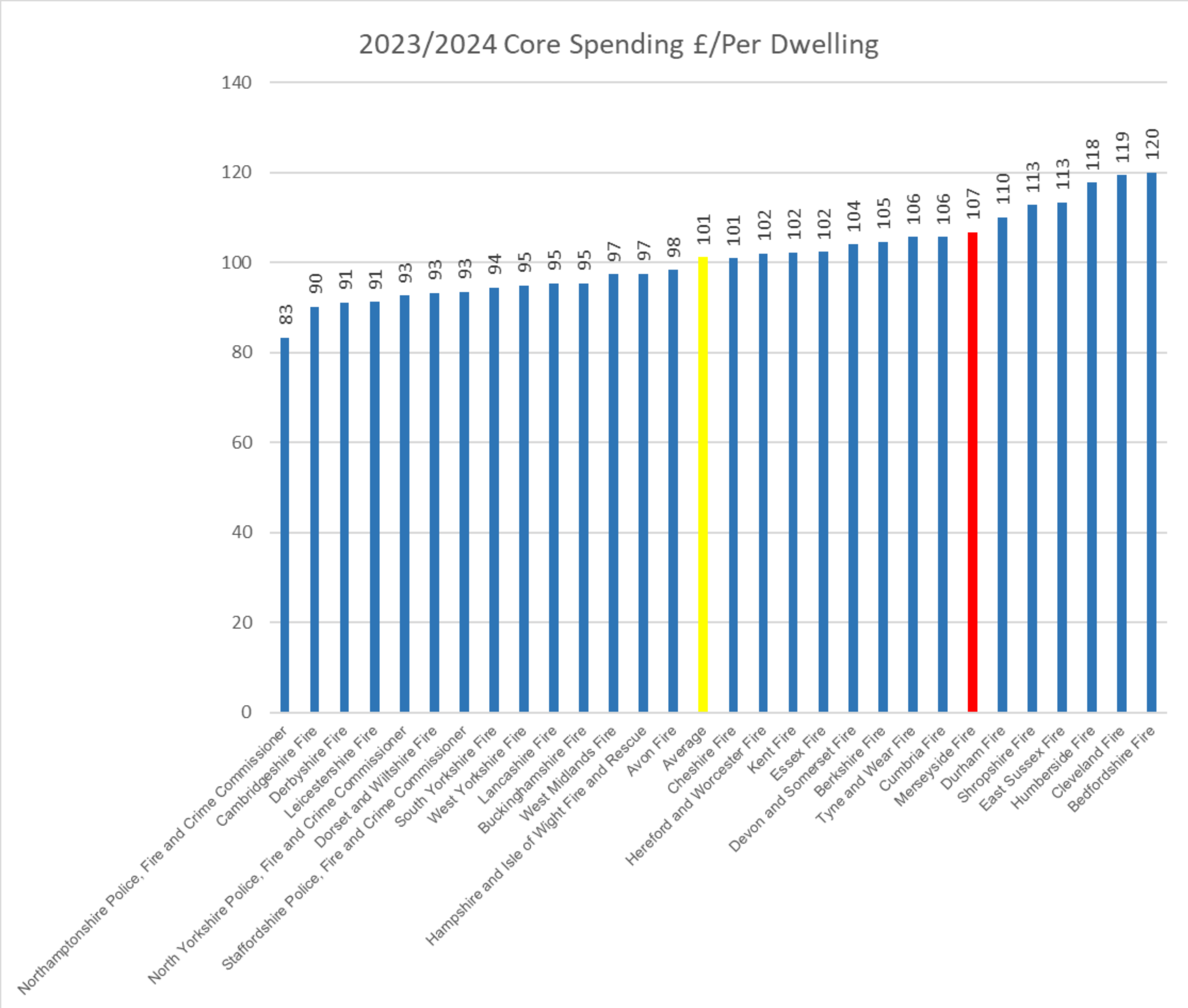


49. Over the past 19 years when compared to the other FRA's Merseyside has had one of the lowest cumulative council tax increases:



50. 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.

51. 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).* The table overleaf outlines the core spending power / per dwelling as outlined in the 2023/2024 finance settlement data produced by the Government ;-



52. The proposed updated MTFP assumes the Authority will increase the 2023/2024 precept by £5.00 to £88.61, which is within the limit that if exceeded requires the Authority to hold a referendum. The updated MTFP continues to assume future years' precept increases will be at just under the anticipated referendum limit of 3% in 2024/2025 and 2% thereafter. In addition, based on the tax base information for 2023/2024 the tax base increase is 2.35%, 1.35% higher than anticipated in the current MTFP. This has meant an increase in Council Tax yield of £0.743m above that anticipated. The proposed MTFP assumes a 0.5% p.a. increase in the future years' tax base, as a significant proportion of the 2023/2024 increase was due to an adjustment in the local council tax support scheme and therefore the underlying increase was significantly below 2.35%.

53. The Authority may choose to increase the 2023/2024 precept by more than £5.00, however this 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.

Council Tax and Business Rates - Collection Fund

54. Any variation between the estimated yield of council tax and locally retained business rates income and the actual collected by the billing authorities is adjusted for in the following year. Any deficit is re-paid to the billing authority and any surplus is paid to the Authority.

55. In 2020/2021 the Government introduced business rate reliefs **after** the estimated business rate yields had been calculated, resulting in a reduction in the actual income collected and a significant deficit on the business rates collection fund in 2021/2022. The Government announced grant funding to offset most of the business rates deficit and also allowed eligible deficits on the Business Rates and Council Tax 2020/21 Collection funds to be spread over three years, with 2023/2024 being the final year.

56. The tables below summarise the Council Tax and Business Rates Collection Fund position:-

Council Tax Collection Fund			
District	deficit/ (surplus)	deficit/ (surplus)	deficit/ (surplus)
	2020/21	2022/23	Total
	£	£	£
LIVERPOOL	234,327	-356,751	-122,424
WIRRAL	56,000	8,000	64,000
ST.HELENS	17,746	58,668	76,414
SEFTON	70,105	-147,864	-77,759
KNOWSLEY	0	-44,000	-44,000
Net MFRA Impact	**378,178**	**-481,947**	**-103,769**

57. The Council Tax Collection Fund forecasts an over surplus of £103,769.

Business Rates Collection Fund			
District	deficit/ (surplus)	deficit/ (surplus)	deficit/ (surplus)
	2020/21	2022/23	Total
	£	£	£
LIVERPOOL	33,439	-145,460	-112,021
WIRRAL	24,130	42,143	66,273
ST.HELENS	6,733	-21,024	-14,291
SEFTON	16,492	-144,855	-128,363
KNOWSLEY	18,133	-26,701	-8,568
Net MFRA Impact	98,927	-295,897	-196,970

58. The Business Rates Collection Fund forecasts a 2023/2024 surplus of £196,970.

59. Overall, the Collection Fund has a surplus of £300,739, a change to that forecast in the current MTFP (a forecast deficit of £475,927), of £776,666.

Pay:

60. The current MTFP assumption was for a 2.5% annual pay award increase in 2022/2023 and future years. The proposed 2023/2024 MTFP includes the impact of the 2022/2023 non-operational pay settlement of a flat £1,925 per full time post, increasing the pay bill by 6.5%, and the 2022/2023 firefighter pay offer of 7% on all grades. In addition, the pay award assumption for 2023/2024 has been increased to 5% due to the ongoing significant inflation increases.

Amendments to the current MTFP Assumptions;

61. As well as the changes identified above to the current MTFP**, Section G** of this report outlines all the changes in the proposed new MTFP in more detail.

Updated 2023/2024 – 2027/2028 MTFP:

62. This report provides the Authority with an updated MTFP covering a five-year period, 2023/2024 – 2027/2028. The proposed MTFP takes into account the Government's 2023/2024 financial settlement; updated council tax funding; and other budget assumptions discussed at the Budget Strategy day. The proposed updated MTFP is attached to this report as Appendix C, and are summarised below;

Current 2022/23 MTFP Forecast (Surplus) / Deficit	0	775	883	994	994
2023/24 MTFP Issues to build in future MTFP:-					
Impact of **2022/23 Pay Awards** (assuming 7% for firefighters) above the 2.5% assumption	2,171	2,171	2,171	2,171	2,171
Assume **5% Pay Awards in 23/24** (increase of 2.5%)	1,039	1,282	1,282	1,282	1,282
Reduction In Employers NI (1.25%)	-336	-336	-336	-336	-336
Impact of Higher Energy / Price inflation 22/23;	1,332	1,332	1,332	882	882
2027/28 Inflation provision					1,600
MRP/Interest - inflationary impact on cost of capital goods	0	100	100	150	150
Loss of Firelink Grant over 2023/24 - 2025/26	110	161	216	270	270
Provision for increasing Control and Operational establishment to improve resilience, training and response	334	334	334	334	334
Provision for review of Establishment to meet recruitment/retention challenges	300	300	300	300	300
Innovation Budget based on Firefighter Safety needs	50	50	50	50	50
Efficency Target (Procurement, Interest Payments, Inflation, other)	-380	-380	-380	-380	-380
Copyright Licensing Fee; Agile Working and ICT license fees	77	57	57	57	57
Reduction in Services Grant £1.388m to £0.782m	574	574	574	574	574
Reverse 2023/24 planned Collection Fund Reserve use	89				
Increase in Bus Rates Multiplier s31 compensation grant **(10.1%)**	-1,500	-1,500	-1,500	-1,500	-1,500
Increase in SFA Funding in 2023/24 above current MTFP Assumption	-1,612	-2,133	-2,154	-2,176	-2,527
Increase in Precept yield if £5 (23/24) and 3% in 24/25 implemented / Tax Base changes	-1,731	-1,954	-1,832	-1,700	-2,631
Collection Fund Change	-777				
Additional Bus Rates compensation grants	-140	-250	-250	-250	-250
SFA Local Business Rates estimate adjustment	400	100			
Summary of impact of changes to 2023/24 MTFP	**0**	**-92**	**-36**	**-272**	**46**
Forecast (Surplus) / Deficit	**0**	**683**	**847**	**722**	**1,040**

63. The MTFP delivers a balanced financial position in 2023/2024 but outlines a potential financial challenge from 2024/2025. Members are asked to simply note this at this point due to the significant uncertainty over future Government support; the Services Grant; and future costs (particularly pay awards and the impact of the McCloud remedy).

Allocation of Resources;

64. 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.

65. 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 has approved the IRMP for 2021 – 2024 in 2021 and the 2023/2024 MTFP includes budget (revenue and capital) to deliver the proposals in the IRMP, including a new TDA and fire station.

66. The financial plan also seeks to aim the allocation of resources to deliver the Authority's Vision and Purpose:-

Our Vision:

To be the best Fire and Rescue Service in the UK.

One team, putting its communities first.

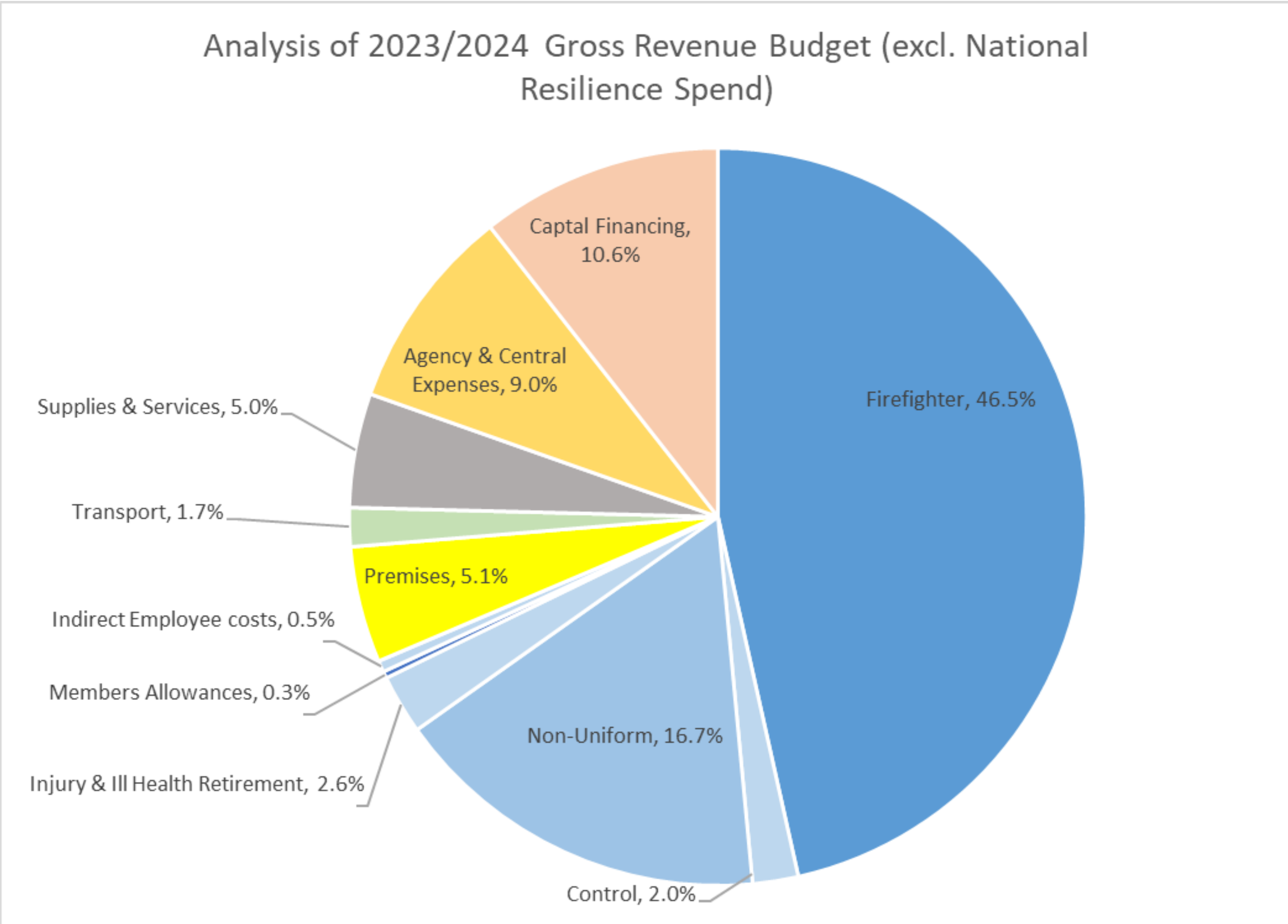
Purpose:

Here to serve. Here to protect. Here to keep you safe.

67. The updated 2023/2024 MTFP will support the delivery of the IRMP proposals and the Authority's key strategic aims and priorities.

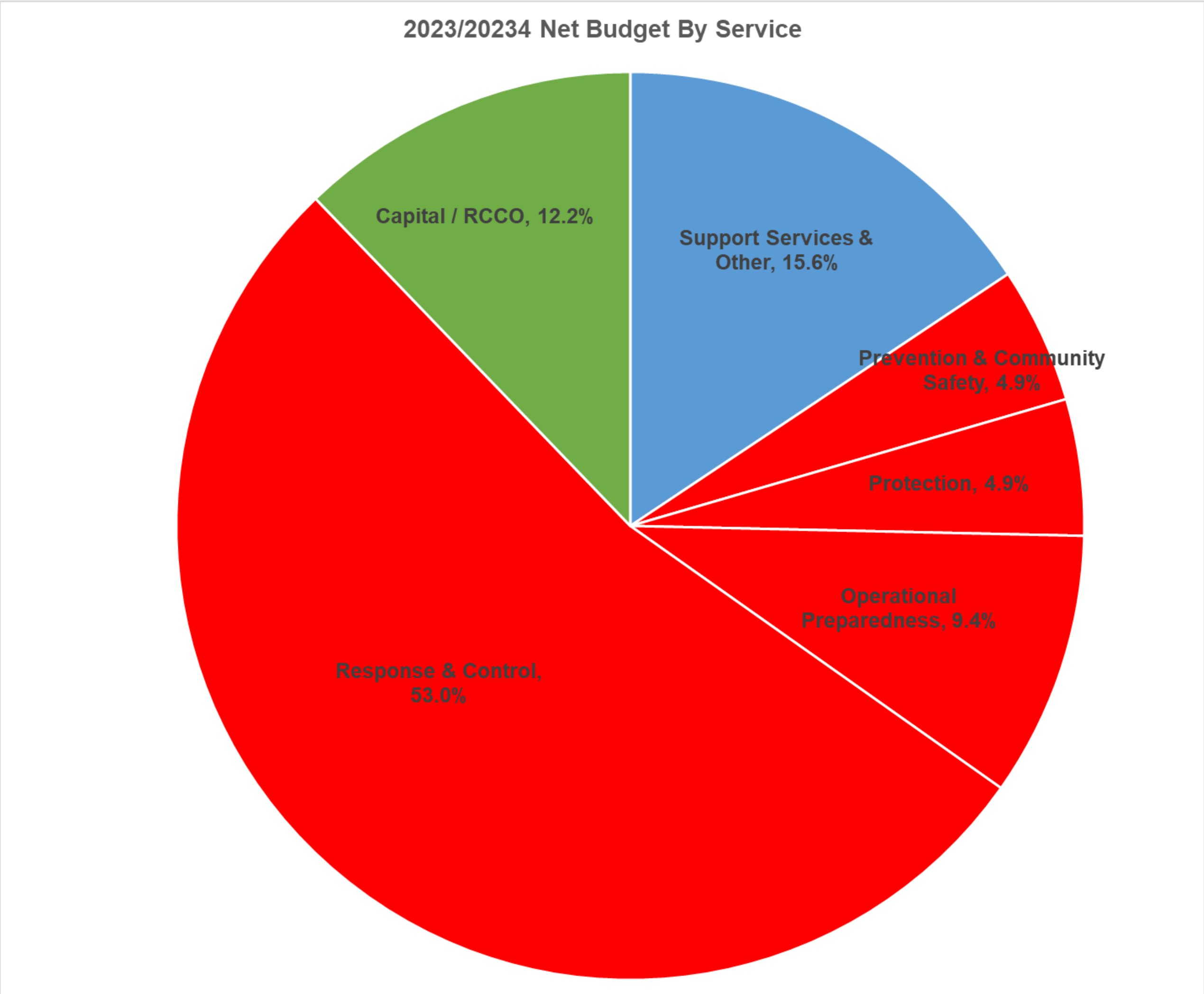
Analysis of the Budget Allocation by Service and Spend type;

68. An analysis of the planned revenue expenditure outlines that it is predominantly employee related (69%). The pie chart overleaf, analyses the revenue expenditure over the different main subjective headings, (the blue sections relate to employee costs) :-



A full subjective analysis of the base budget for 2023/2024 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 in the following paragraphs and is based upon the Service's strategic objectives.

69. The Authority has an excellent track record of investing in line with its corporate priorities. The pie chart overleaf outlines that most expenditure, 53.0%, goes on emergency and specialist response. In addition, 9.4% goes on Operational Preparedness and 9.8% on Protection, Prevention & Community Safety. Therefore 72.2% of expenditure is on the "front line" services. The 12.2% on capital costs relates mostly to previous investment in front line assets, fire stations, vehicles and equipment. The remaining 15.6% is on support and operational enabling services.



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

<u>Operational Response & Control (Total £36.1m)</u>

- Service delivery and emergency response through its 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.
- Delivering a HFSC programme.
- Investing in a new community fire station and TDA.
- Marine Rescue Unit to support John Lennon Airport and safety on the River Mersey.

Prevention & Community Safety (Total £3.3m)

- Community Prevention work and youth engagement; £2.8m
- 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 expenditure**)

Protection (Total £3.3m)

- Protection Teams; £3.2m
- ICT Information systems £0.1m

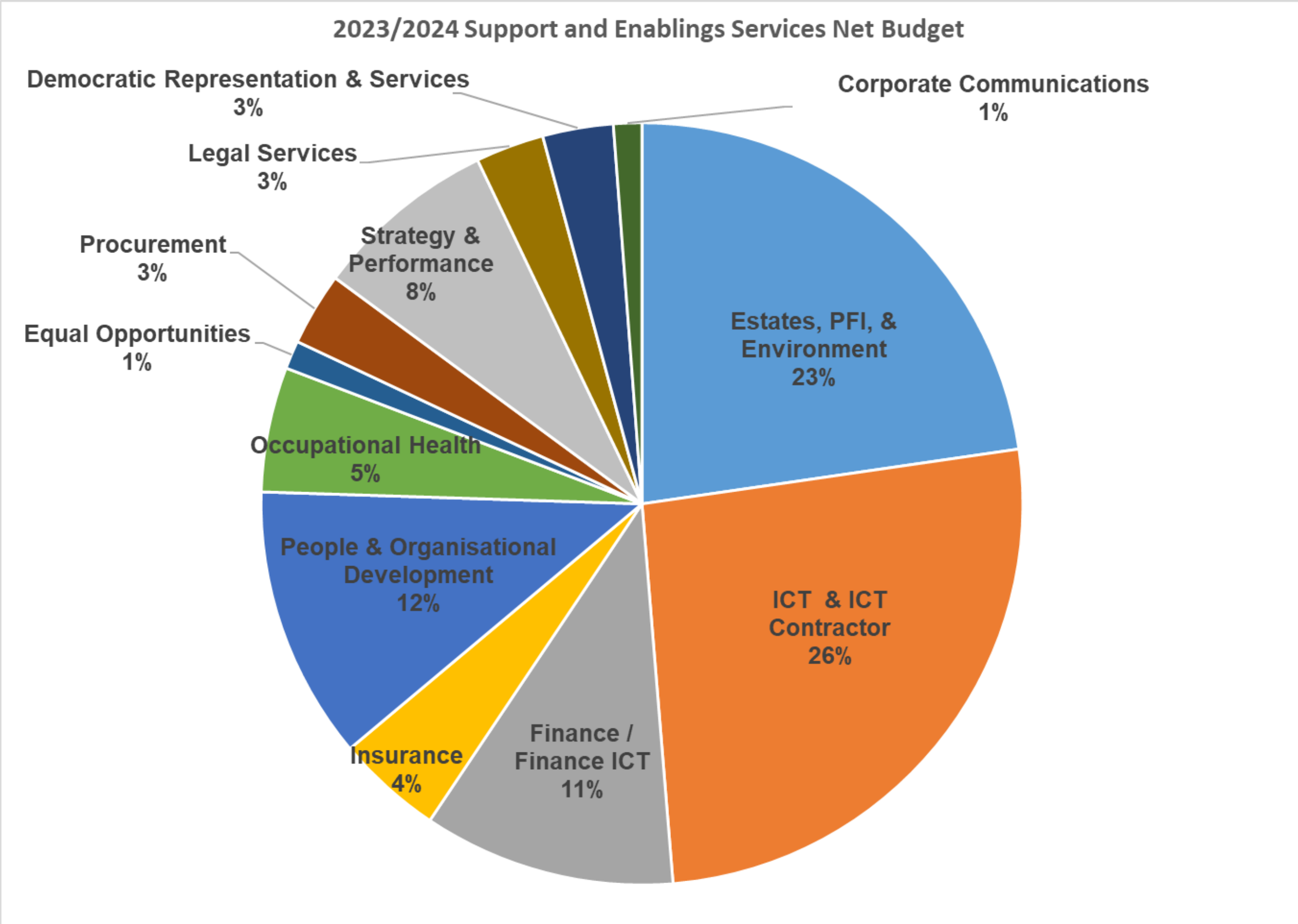
Operational Preparedness (Total £6.4m)

The investment of £6.4m 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 £1.9m 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 £10.6m)

The investment in support services of £10.6m represents 15.6% 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 22 Community Fire Stations and a Marine Unit
- ICT – includes the cost of the ICT for Fire Control and stations,
- 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

70. 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 the 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 the financing as set out in the report***.

71. 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.

72. 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.

73. 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.

74. 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.

75. 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 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).

- 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.

76. 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.

77. 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.

78. The proposed £54.952m five-year programme set out in Appendix B is summarised in the table overleaf. This table also identifies funding of the programme and a resultant borrowing requirement of £42.846m.

Capital Programme 2023/2024 to 2027/2028

Capital Expenditure	Total Cost £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
Building/Land	**32,991,000**	30,026,000	572,500	1,027,500	827,500	537,500
Fire Safety	**3,175,000**	635,000	635,000	635,000	635,000	635,000
ICT	**6,899,840**	2,526,960	1,206,460	1,018,860	1,174,660	972,900
NRAT Resilience Assets	**0**	0	0	0	0	0
Operational Equipment & Hydrants	**4,107,300**	977,800	1,546,000	462,000	390,500	731,000
Vehicles	**7,778,650**	2,096,800	1,300,850	2,176,000	200,000	2,005,000
Expenditure	**54,951,790**	**36,262,560**	**5,260,810**	**5,319,360**	**3,227,660**	**4,881,400**

Financing Available	Total £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
Capital Receipts	**3,915,000**	**3,915,000**	**0**	**0**	**0**	**0**
RCCO	**1,875,000**	**375,000**	**375,000**	**375,000**	**375,000**	**375,000**
Capital Reserves	**6,315,900**	**6,315,900**	**0**	**0**	**0**	**0**
Grants	**0**	**0**	**0**	**0**	**0**	**0**
Total Non Borrowing	**12,105,900**	**10,605,900**	**375,000**	**375,000**	**375,000**	**375,000**
Unsupported Borrowing	**42,845,890**	**25,656,660**	**4,885,810**	**4,944,360**	**2,852,660**	**4,506,400**
Total Funding	**54,951,790**	**36,262,560**	**5,260,810**	**5,319,360**	**3,227,660**	**4,881,400**

79. New additions to the capital programme and the impact of inflation on planned spend have increased the overall expenditure by £9.336m. The table below summarises the proposed changes;

Capital Expenditure	Total Cost £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
Building/Land;						
Inflation	**1,900,000**	1,727,500	57,500	57,500	57,500	
New Schemes	**1,027,500**	155,000	155,000	90,000	90,000	537,500
	2,927,500	1,882,500	212,500	147,500	147,500	537,500
Fire Safety						
New Schemes	**635,000**	0	0	0	0	635,000
	635,000	0	0	0	0	635,000
ICT						
Inflation	**248,000**	73,000	50,000	75,000	50,000	
New Schemes	**1,288,400**	99,500	60,000	156,000	0	972,900
	1,536,400	172,500	110,000	231,000	50,000	972,900
Operational Equipment & Hydrants						
New Schemes	**1,661,500**	211,000	413,000	146,000	160,500	731,000
	1,661,500	211,000	413,000	146,000	160,500	731,000
Vehicles						
Inflation	**570,450**	139,450	13,000	358,000	60,000	
New Schemes	**2,005,000**					2,005,000
	2,575,450	139,450	13,000	358,000	60,000	2,005,000
Expenditure						
Inflation	**2,718,450**	**1,939,950**	**120,500**	**490,500**	**167,500**	**0**
New Schemes	**6,617,400**	**465,500**	**628,000**	**392,000**	**250,500**	**4,881,400**
Total	**9,335,850**	**2,405,450**	**748,500**	**882,500**	**418,000**	**4,881,400**
Financing Available	**Total £**	**2023/24 £**	**2024/25 £**	**2025/26 £**	**2026/27 £**	**2026/27 £**
Capital Receipts	**240,000**	**240,000**	**0**	**0**	**0**	**0**
RCCO	**375,000**					**375,000**
Total Non Borrowing	**615,000**	**240,000**	**0**	**0**	**0**	**375,000**
Unsupported Borrowing	**8,720,850**	**2,165,450**	**748,500**	**882,500**	**418,000**	**4,506,400**
Total Funding	**9,335,850**	**2,405,450**	**748,500**	**882,500**	**418,000**	**4,881,400**

80. Of the £9.336m planned increase :-

a) The addition of the “extra year” to the programme, 2027/2028, adds £4.881m.

b) New proposals in 2023/2024 – 2026/2027 add £1.736m. The key items are for investment in;

- New operational equipment / BA apparatus £0.931m
- New audio / AV equipment at SHQ, additional wireless access points £0.160m
- Revised anti-virus licences period (5 to 3 years), £0.150m
- Disability Discrimination Access work for MFRA properties, £0.160m
- Net change to other building works £0.335m.

c) Issues with supply chains, energy charges, and labour shortages have resulted in significant price increase in tender prices for building work; vehicles; and, equipment. This has resulted in an increase in planned spend of £2.719m.

81. The £9.336m of new planned capital spend requires unsupported additional borrowing of £8.721m (the balance is funded by specific resources) and this commitment has been built into the proposed MTFP.

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

a. Building Investment Strategy (£32.991m);

The estate comprises of 22 fire stations, 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. The Estates Team 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 programme includes a new £39.9m TDA and fire station (including a new workshop and garages, £0.7m). The scheme commenced in 2022/23 with a phased build programme over 2022 – 2024. The phased spend in the proposed 2023/24 – 2027/28 programme is £24.538m (the balance was incurred in 2022/2023) and a planned opening in April 2024. Note the required new ICT development for the scheme £0.501m is contained within the ICT programme.

Major refurbishment work of £4.856m at fire stations and other property is planned over the programme period, and this includes a major £1.200m refurbishment of the existing Bromborough fire station.
General station upgrade work, £1.980m, is planned over the programme period and this includes investment in station roofs, disabled access, appliance floor repairs and sanitary accommodation refurbishments.

The balance, £1.617m relates to other property work on schemes such as energy conservation and furniture replacement.

b. Fire Safety (Community Risk Management) (£3.175m)

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 (£6.900m)

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;

- Planned replacement of PCs, servers, operational equipment and network £2.793m,
- Software licenses £2.167m,
- New command and control suite at the new TDA site £0.501m
- Operational ICT Equipment £0.780m,
- Other applications and ICT schemes £0.659m.

d. Operational Equipment & Hydrants (£4.107m)

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 :-

- Hydraulic rescue equipment, £0.865m
- BA and communication equipment, £1.047m
- Search and Rescue equipment, £0.195m
- Water delivery hoses and equipment, £0.151m
- Operational ladders, £0.117m
- Other specialist equipment, £1.547m
- Installation of new or replacement hydrants in line with our water strategy, £0.185m.

e. Vehicle Replacement Strategy (£7.779m)

The vehicle asset management plan elsewhere on today's agenda has identified the vehicle needs of the Authority and the required replacement and procurement strategy. The proposed capital programme reflects the ask within the asset management plan:-

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 11 new appliances.

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:

- Incident Command Unit (ICU)
- Prime Movers (4)
- Crane Lorry (1)
- Wildfire Appliance (2)
- Curtain sided truck (1)

c. Ancillary Vehicles;
   Provision is included for the phased renewal of the ancillary vehicle fleet.

d. Marine Rescue Boats

e. Workshop Equipment

Funding;

83. The proposed capital spend will be funded by a mixture of specific funding sources and borrowing;

84. **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.

85. The proposed capital programme anticipates capital receipts from a number of site disposals totalling £3.915m. 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.

86. **Revenue Contribution to Capital Outlay (RCCO).** Capital spend can be funded from a contribution from the approved revenue budget. The proposed capital programme includes an annual RCCO of £0.375m, and this comes from the "freed-up" employee budget following the capitalisation of smoke alarm installation costs (salary costs).

87. **A Capital Reserve** has been established to contribute towards the approved capital investment within the programme. The new TDA and fire station spend in 2023/2024 will be partially funded, £6.316m, from the capital reserve.

88. **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, after taking into account any specific funding, requires prudential "unsupported" borrowing of £42.846m. The revenue budget and MTFP includes adequate provision for the future revenue servicing cost of this debt.

89. 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 2023/2024 – 2027/2028 and the

methodology for calculating the MRP. More information on the impact on the Capital Programme is shown in the section on Prudential Indicators (see Section E).

(D) MINIMUM REVENUE PROVISION STATEMENT

90. 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.

91. The regulations guidelines interpret that MRP may be deemed to be prudent if it is either:
    a) Based over a period that is reasonably commensurate with that over which the capital expenditure / asset provides benefits (asset life), or
    b) 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).

92. 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;
        i. equal instalments method. This generates a series of equal annual amounts over the life of each asset that is financed from borrowing; or
        ii. 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.

93. 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.

94. The 2023/2024 MRP is determined by the actual level of outstanding debt (CFR) as at the end of 2022/2023. It is recommended that the Authority adopt a similar strategy for MRP determination as that in 2022/2023;

a) 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.

b) 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.

c) For **on balance sheet PFI contracts**; the MRP charge will be equal to the principal element of the annual rental.

95. 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 and Procurement views this to be prudent methodology as it ensures that all of the debt is repaid over a finite timeframe.

96. 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.

97. 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.

98. Interest on loans taken out to fund capital expenditure is estimated at £2.1m.

99. 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

100. Having formulated a draft Capital Programme, the Authority, in making final decisions upon that Capital Programme and Revenue Budget 2023/2024, 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.

101. 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 2023/2024.

102. The financial plans prepared in respect of the financial years 2024/2025 and 2025/2026 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 £5.00 in 2023/2024, just under 3% in 2024/25 and just under 2% thereafter.

103. 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 the Authority are provided below.***

104. 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:-

    a) Estimates of the ratio of capital financing charges to the net revenue budget.
    b) Estimates of the precept that would result from the three-year capital plan.
    c) Estimates of the capital financing requirement.

105. The prudential indicators for the Authority are:-

- **Capital Expenditure**
  The actual capital expenditure that was incurred in 2021/2022 and the estimates of capital expenditure to be incurred for the current and future years that are recommended for approval are:

	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£000,s	£000,s	£000,s	£000,s	£000,s	£000,s	£000,s
Capital Expenditure	6,975	25,237	36,263	5,261	5,319	3,228	4,881

Members will note that the significant estimated expenditure over the 2022/2023 – 2024/2025 period covers the planned £39.9m investment in a new TDA and station, and £2.2m on national resilience assets.

This explains why the total expenditure in 2022/2023 – 2023/2024 appears to be relatively high. In addition, it is important to remember capital costs are shown as the gross net of any grants or contributions received to contribute towards the cost. More details on the capital programme are given elsewhere in the report (see Section C).

- **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 actual figures for 2021/2022 and the current and future years are:

	Actual 2021/22	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28
Ratio of Financing costs to Net Revenue Stream	**6.31%**	**8.33%**	**7.80%**	**10.21%**	**11.00%**	**11.10%**	**11.41%**

This shows that forecast debt financing costs will increase from around 6% up and then increase to approximately 11% by 2027/2028. This reflects the current policy of using internal cash (funds held as reserves, unapplied capital and revenue grants etc.) to temporarily fund capital expenditure to be funded by borrowing. The Authority will need to borrow to fund the planned capital spend as the internal cash is expected to be committed by 2023/2024 (mainly the drawdown from the Capital Reserve). Therefore, from 2024/2025 the ratio returns to the expected levels based on the ongoing capital investment commitments and planned borrowing levels.

- **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 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28
Incremental Impact of Capital Investment Decisions.	-£4.98	£7.53	£0.26	£0.34	£0.16	£1.68

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 2022/2023 into 2023/2024 approved during the year, the inclusion of a significant investment in the new TDA and station, and, the new starts in 2023/2024 – 2027/2028 explains the movement in the figures over this period.

106. The Capital Financing Requirement (CFR) measures the Authority's underlying need to borrow for capital investment purposes.

107. Based on current commitments for 2022/2023 and the latest estimates of capital investment decisions in future years, the capital financing requirement forecast as at 31st March 2023 and future years is as follows:

	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	31.3.22	31.3.23	31.3.24	31.3.25	31.3.26	31.3.27	31.3.28
	£000,s	£000,s	£000,s	£000,s	£000,s	£000,s	£000,s
Capital Financing Requirement	35,269	40,090	62,805	63,417	63,617	61,558	60,945
(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.

108. 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."

109. The Authority had no difficulty in meeting this requirement as the Authority's CFR (excluding PFI) is expected to reach a maximum of £63.617m over the next 5-years and the expected maximum debt position is £53.720m. 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.

110. The Treasury Management Code now recommends including a "liability benchmark" as a measure of how the existing loans portfolio matches the Authority's planned borrowing needs. The table overleaf outline how the Authority is currently utilising internal cash over the short term and under-borrowing over the medium term. As the Authority utilises its available committed reserves and grants paid in advance of expenditure it will need to seek additional borrowing. The Director of Finance and Procurement is reviewing the situation with Liverpool City Council's Treasury Management team to determine when it is best to seek new loans based on future

interest rate forecasts. Currently using internal cash benefits the Authority as it saves on interest payments it would have to make.

	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	31.3.22	31.3.23	31.3.24	31.3.25	31.3.26	31.3.27	31.3.28
	£000,s	£000,s	£000,s	£000,s	£000,s	£000,s	£000,s
Capital Financing Requirement (excluding PFI and DRD)	**35,269**	**40,090**	**62,805**	**63,417**	**63,617**	**61,558**	**60,945**
Existing PWLB Loans	33,885	33,720	33,720	45,720	49,720	53,720	53,720
Planned New Loans			12,000	4,000	4,000		
PWLB c/fwd	**33,885**	**33,720**	**45,720**	**49,720**	**53,720**	**53,720**	**53,720**
Under / (Over) Borrowing	**1,384**	**6,370**	**29,085**	**17,697**	**13,897**	**7,838**	**7,225**

(F) TREASURY MANAGEMENT STRATEGY STATEMENT 2023/2024

INTRODUCTION

111. 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 Department for Levelling Up, Housing and Communities (DLUHC) 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

112. 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 2023/2024.
- The External Debt and Treasury Management Prudential Indicators and Limits for 2023/2024 to 2025/2026.
- The Investment Strategy 2023/2024.
- The Minimum Revenue Provision (MRP) Statement included in section D which sets out the Authority's policy on MRP.

TREASURY MANAGEMENT STRATEGY

113. The suggested strategy for 2023/2024 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;
- 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 ongoing impact on the UK from the war in Ukraine, together with higher inflation, higher interest rates, uncertain government policy, and a deteriorating economic outlook, will be major influences on the Authority's treasury management strategy for 2023/24.

Political uncertainty in the UK improved in the later part of 2022 following a change in government to what financial markets perceived as being more fiscally prudent. The economic backdrop continues to be characterised by high energy and commodity prices, high inflation and the associated impact on consumers' cost of living, as well as little likelihood that the Russia-Ukraine hostilities will end any time soon. Central Bank rhetoric and action continued to remain robust. The Bank of England, Federal Reserve and the European Central Bank have all increased interest rates and are committed to fighting inflation, even in the face of potential recessions in those regions. UK inflation remains high, but there are tentative signs it may have peaked.

The Bank of England (BoE) increased Bank Rate by 0.50% to 4.0% in February 2023, with rates now possibly nearing their peak. The decision was voted for by a 7-2 majority of the Monetary Policy Committee (MPC), with two members voting to maintain rates at 3.50%. The cost of both long and short term borrowing has risen dramatically over the April – December period, with rates around 2% - 3% higher than those at the beginning of April. Rate rises have been driven primarily by inflation and the need for central banks to control this by raising interest rates. Particularly dramatic rises were seen in September after Liz Truss' 'mini-budget' included unfunded tax cuts and additional borrowing to fund consumer energy price subsidies: over a twenty-four-hour period some PWLB rates increased to 6%. Rates have now fallen from September peaks but remain well above recent historical norms. The PWLB 10 year maturity certainty rate stood at 4.24% at the end of January 2023.

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 envisages that new long term borrowing of £12 million will be required in 2023/2024. In the short-term, and at a time when long-term rates are relatively high, the Authority will continue to mitigate interest costs by use of internal resources ahead of further borrowing. Where borrowing is required the Authority may initially choose to benefit from lower short term rates available from the intra-authority market and consider taking longer-term PWLB debt when there is no further value to be obtained from the intra-authority market. 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. Recent rises in long term interest rates may provide more favourable debt rescheduling opportunities. 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 2023/2024 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 in the event the bank is re-privatised it 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 and Procurement, Head of Finance or Treasury Manager.

Non-Specified Investments: - Non-specified investments do not, by definition, meet the requirements of a specified investment. The Department for Levelling Up, Housing and Communities (DLUHC) 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 DLUHC 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 Sterling Overnight Index Average (SONIA) rate.

ESG Policy

Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Authority's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Authority will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

Business Models

Under the IFRS 9 standard, the accounting for certain investments depends on the Authority's "business model" for managing them. The Authority aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

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:

a) Authorised limit for external debt
b) 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 and Procurement, 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		**2023/24**	**2024/25**	**2025/26**
		£'000	**£'000**	**£'000**
Gross Borrowing		63,000	63,000	63,000
Other Long Term Liabilities		16,000	16,000	15,000
TOTAL		**79,000**	**79,000**	**78,000**

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 and Procurement, 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		**2023/24 £'000**	**2024/25 £'000**	**2025/26 £'000**
External Borrowing		50,000	50,000	55,000
Other Long Term Liabilities		16,000	16,000	15,000
TOTAL		**66,000**	**66,000**	**70,000**

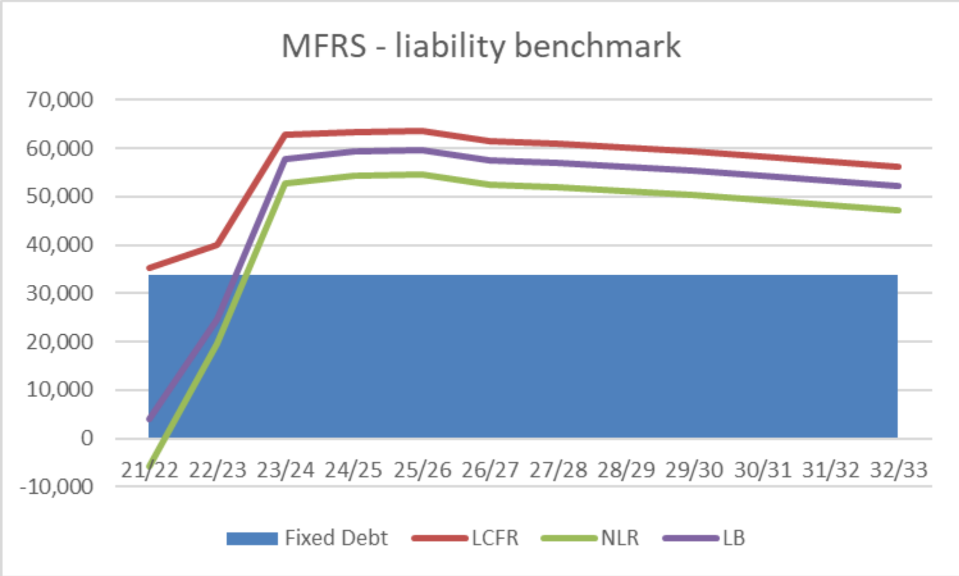
Actual External Debt: The prudential indicator for actual external debt considers a single point in time and hence is only directly comparable to the authorised limit and operational boundary at that point in time. Actual external debt is monitored during the year against the limits. It is forecast to be £33.7 million at 31st March 2023.

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.

	2022/23	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**
	Estimate	**Estimate**	**Estimate**	**Estimate**	**Estimate**	**Estimate**
	£'m	**£'m**	**£'m**	**£'m**	**£'m**	**£'m**
Capital Financing Requirement	56.6	78.7	78.6	78.2	75.4	74.0
Less: PFI	(16.4)	(15.8)	(15.2)	(14.6)	(13.8)	(13.1)
Less: MRD	(0.1)	(0.1)	-	-	-	-
Borrowing CFR	**40.1**	**62.8**	**63.4**	**63.6**	**61.6**	**60.9**
Existing Debt Portfolio	33.7	45.7	49.7	53.7	53.7	53.7
Over(-)/Under borrowing	**6.4**	**17.1**	**13.7**	**9.9**	**7.8**	**7.2**
Borrowing as a % of CFR	**84.1%**	**72.8%**	**78.4%**	**84.4%**	**87.3%**	**88.1%**

The Treasury Management Code now includes a requirement for authorities to produce a liability benchmark. This is a risk management tool which compares the authority's actual borrowing against its theoretical net borrowing requirement (which will include an allowance for liquidity). When actual borrowing is below the liability benchmark, then this indicates a future borrowing requirement and thus identifying where an authority is exposed to interest rate, liquidity and refinancing risks. Conversely, where actual borrowing exceeds the liability benchmark then this will highlight an over-borrowed position which will result in excess cash in the organisation requiring investment and thus exposing the authority to credit and reinvestment risks and a potential cost of carry. The optimum borrowing position would be to hold a position that sits near to or on the liability benchmark thus maximising the use of internal borrowing and minimising risk.

The authority's liability benchmark is set out in the graph overleaf. The benchmark assumes that cash and investment balances are kept to a minimum level of £5m at each year-end. The benchmark is currently £24.6m for 2022/23 and is forecast to increase to £57.8m in 2023/2024 based on the combination of the borrowing requirement arising from the capital programme and the anticipated reduction of internal resources that will be available to off-set the need to borrow. The below graph covers an extended period of ten years.



The shaded arears of the graph represent the maturity profile of the authority's actual borrowing portfolio and the lines represent the notional borrowing requirement (red line), the net loans requirement which offsets available balance sheet resources against the borrowing requirement (green line) and finally the liability benchmark (blue line), which factors in a liquidity allowance.

The graph does highlight the extent to which the fire authority borrowing levels has exceeded the liability benchmark in recent years based on the historic borrowing portfolio that is predominately long dated. However, this position is expected to reverse in 2023/2024 with an anticipated requirement for new borrowing. The significant movement in interest rates during 2022/2023 has increased the cost of new borrowing and the consideration at this point is whether further risk is reduced by borrowing with longer term borrowing for durations that would reduce the gap between the existing debt portfolio and the estimated liability benchmark or borrowing for shorter periods. To inform these decisions treasury officers are mindful of the interest rate forecasts from appointed specialist treasury advisors. The steepening of rates during 2022/2023 in response to high inflation has exceeded many forecasts made 12 months ago, the question is now whether the lagging impact from tightening monetary policy puts a sufficient brake on economic activity, that monetary policy is required to be loosened in the near term as a response. Officers will continue to review the position and look for opportunities to reduce the exposure to interest rate risk.

(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 365 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	2023/24	2024/25	2025/26
	%	%	%
Fixed	100	100	100
Variable	50	50	50

This means that the Director of Finance and Procurement will manage fixed interest rate exposures within the range 50% to 100% and variable interest rate exposures within the range 0% to 50% for 2023/24.

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	100%	0%

Total Principal Sums Invested for Periods Longer than 365 Days: It is recommended that the limit for investments of longer than 365 days be set at £2 million for each of the years 2023/24, 2024/25 and 2025/26.

(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 Sterling Overnight Index Average (SONIA) 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 and Procurement to ensure that all members with responsibility for treasury management receive appropriate training relevant to their needs and understand their roles and responsibilities.

(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 2023/2024 – 2027/2028

114. The Authority has in recent years maintained a robust Medium Term Financial Plan, (MTFP). The plan is fully reviewed on an annual basis, monitored throughout the year, and reported on a quarterly basis through the financial review reports to Members.

115. 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.

116. 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 up to 2020 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 :-

117. In 2010 the Authority;

a) employed approximately 1,000 Full Time Equivalents (FTE) firefighters,
b) employed 42 FTE fire control staff,
c) employed 425 FTE support and technical staff,
d) had 42 wholetime fire appliances immediately available and 1 retained - 43 appliances in total,
e) had 26 full time fire stations.

118. The current budget provides for;

a) 642 FTE firefighter, (36% lower),
b) 32 FTE staff in fire control, (21% lower)
c) 290 FTE support and technical staff, (32% lower),
d) Appliances;
    - Days: 27 immediately available plus 4 on a 30 minute recall
    - Night: 21 immediately available plus 10 on a 30 minute recall
e) 22 fire stations maintained by a variety of demand led duty cover systems.

119. The 2022/2023 MTFP approved at the Budget Authority meeting on 24th February 2022 delivered, based on the information at that time, a balanced financial position in 2022/2023 and 2023/2024. The current MTFP forecast a £0.775m challenge in 2024/2025 rising to £0.994m by 2026/2027. As significant uncertainty existed over future Government funding and future cost increases from 2023/2024, Members were simply asked to note any financial challenges in future years, and deal with any challenge once the future funding became clearer.

120. The current MTFP has been updated for the 2023/2024 Government funding settlement (another one-year settlement), and the Merseyside local authorities 2023/2024 Council Tax Base, Collection Fund and Business Rate forecasts. All known pay and price inflation increases have been built into the MTFP, and a review of the key assumptions around future funding and cost pressures reviewed.

121. Members at the January 2023 budget strategy day considered the key budget assumptions that should be included within the updated MTFP. The following paragraphs summarise the proposed key assumptions to be included within the plan:-

122. **Inflation - Pay & Prices Changes**:-

PAY;
The 2022/2023 MTFP had, based on the Government's assessment that inflation would increase slightly above their 2% target and then fall back, assumed a 2.5% p.a. pay award over the MTFP period. In 2022/2023 the non-firefighter pay increase was a flat rate uplift of £1,925 for all grades, and this increased the pay bill by 6.5% or 4% / £0.465m above the MTFP assumption. The current 2022/2023 firefighters' annual pay offer is 7% and is currently being considered by firefighters. The proposed MTFP now includes a provision to fund the 2022/2023 non-firefighter flat rate increase of £1,925 and a provision for a 2022/2023 7% firefighter pay award. Any increase above the 7% firefighter pay assumption will be funded initially from the inflation reserve, but Members would need to consider how it will be funded on a permanent basis during the 2024/2025 budget process.

Inflation remains high, around 10%, but is predicted to fall sharply towards the end of the year and then in the longer term fall back further to the Government's 2% target. Members at the strategy day agreed to increase the 2023/2024 pay award assumption from 2.5% to 5% in light of the current inflation forecast, but keep future pay award assumptions at 2.5%. A 5% assumption for 2023/2024 pay awards requires an increase in the pay provision within the current MTFP of £1.282m in a full year.

During the year the Government reversed the proposed increase of 1.25% in employers / employees National Insurance (NI) rates from 2022/2023. The proposed MTFP reflects this decision and a saving of £0.336m has been built into the MTFP.

Authority Members' had committed to reduce their own costs for thirteen years by freezing member allowances delivering an annual saving of £24,000. In 2022/2023, given the inflationary pressures already mentioned above, the reality was that the freeze in allowances had to end. The inflation provision now includes funding for an inflation indexation for members' allowances each year based on the previous year's firefighter pay award, however, any increase would take account of any NJC grey book recommendation. Members will consider the scheme of allowances for 2023/2024 at the AGM meeting in June 2023.

PENSIONS:-

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. The impact on the Firefighter Pension Scheme to MFRA was an overall increase in the employer cost of over £3.210m. The Home Office announced a fixed grant of £3.025m from 2019/2020 to contribute to the increase. The Home Office have again indicated that the grant will be rolled up into the SFA, but in 2023/2024 it will continue as a grant but they have yet to announce the Authority's allocation. The MTFP assumes this grant will continue at the current level, £3.025m.

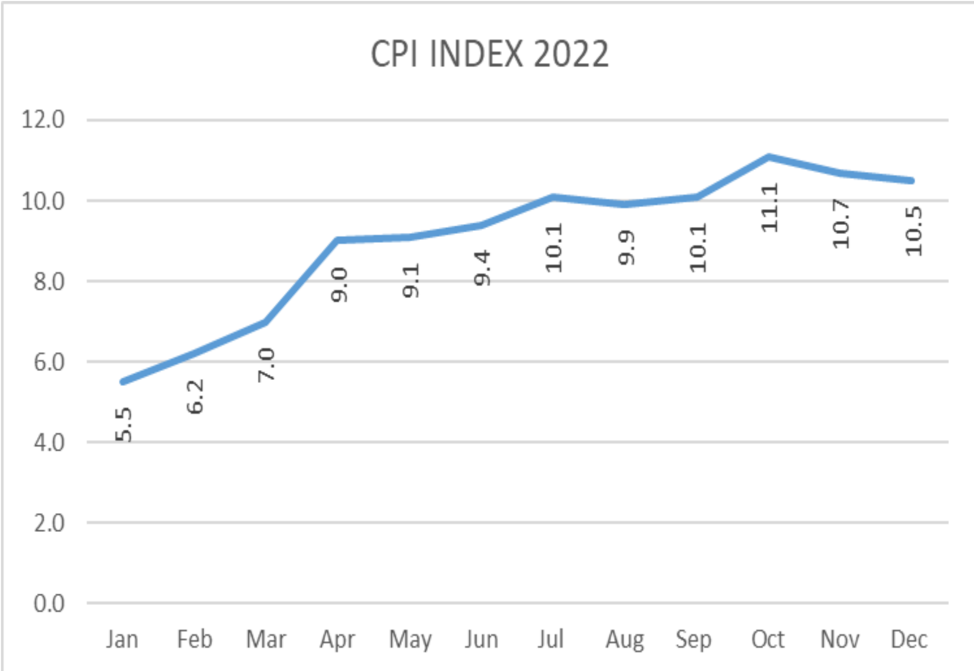
The 2020 FPS actuarial review is currently being undertaken and the Home Office has advised that the impact of the actuarial review will be taken into account in the next Comprehensive Spending Review. Therefore, the impact of the review may be in 2024/2025 or 2025/2026. The current MTFP assumes a 3% or £1m increase in the employer rate from 2024/2025 as the pension fund is facing a number of significant cost pressures such are the implementation of the age discrimination (McCloud) remedy. The proposed MTFP makes no change to this assumption that the increase in the employer rate will be with effect from 2024/2025.

Future LGPS Employer Rate – The 2020 actuarial review increased the current employer rate from 17.5% to 17.9% from April 2023. However, the review also identified that the fund has a past service costs surplus that will be repaid to the Authority, the net impact has resulted in an annual saving of £0.200m from 2023/2024 onwards. The current MTFP had assumed this saving so no changes are required to be made to the proposed MTFP.

PRICES

The current MTFP included a provision for general price increases of 2% and around 12% for energy increases based on inflation forecasts in January 2022. The forecast was consistent with the Government's view at the time that although inflation was anticipated to go above their 2% target this was assumed to a short-term challenge before inflation fell back to 2%.

Supply issues caused by Covid and other factors; workforce shortages; and an energy crisis as a consequence of the war in Ukraine, has meant the UK (and most of the World) experienced a significant increase in inflation. Over 2022 the CPI index rose from 5.5% to 10.5% peaking at 11.1%in October:-



The Government expect CPI inflation to continue to fall slowly in the early part of 2023/2024 but then towards the end of the financial year drop to 4% - 5%, and then closer to 2% in 2024/2025.

The proposed MTFP has built in an increase of £0.232m to uplift the base non-pay budget for the impact of the inflationary pressures in 2022/2023 and the expected 2023/2024 inflationary impact. In addition a £0.250m provision has been included on the MTFP inflation increase has been included in the proposed MTFP to cover the increase in outsourced contracts as the annual uplift is directly linked to the increase in CPI and employee costs.

Members received a number of reports on the impact of the new 2022 electricity contract and the impact of the significant inflationary pressures within the energy market. The actual energy spend in 2022/2023 against the budget is forecast to overspend by approximately £0.850m. For 2023/2024 the current view is that the energy costs will remain close to those in 2022/2023. Any additional budget requirement will be dependent not just on the energy charges but actual consumption and any Government support for the market. At some future point, particularly if the war in Ukraine ends and new supply markets open, the cost of energy may fall from the current exceptional high price. The proposed MTFP has built in a £0.850m increase in the annual energy budget up to 2025/2026, but assumed from 2026/2027 the required increase will fall to £0.400m as hopefully supply markets improve.

An inflation provision of £1.600m is included in the proposed MTFP to cover the new-year, 2027/2028, based on general inflation of 2% and pay uplifts of 2.5%.

123. **Revenue Growth**

The current plan assumed no future unavoidable growth requirements beyond those approved in the 2022/2023 plan. The CFO and SLT have identified a number of unavoidable growth issues that need to be built into the new MTFP;

- After reviewing the current operational and control establishment the CFO and SLT have identified the need to permanently amend the operational arrangements by;

    - Improving the operational management provision by creating 20 new Crew Manager roles, and
    - Improving the firefighter training resources at the TDA, and
    - The number of retained contracts being established to underpin the Hybrid/DCWTR Duty system (reflecting the IRMP 2021/24 goal of having 32 fire engines available),
    - Embedding the increase in Control staff into the permanent establishment, 32 to 35 posts including Station Manager.
    - Including a provision of £0.334m in the MTFP from 2023/2024 to cover these frontline investments, and
    - Despite the financial challenge to fund the increased 2022/2023 firefighter pay award of 7%, the Authority through prudent financial management will maintain the operational establishment at 642 FTE.

- In order to tackle recruitment and retention challenges around key non-operational posts, the proposed MTFP includes a £0.300m provision to enable a review of relevant post grades and the establishment, in order to improve current resilience within key service areas.

- Officers have identified a number of small growth demands that have been built into the MTFP;

    - The need to pay a copyright licence fee for use of certain material by the Service, £0.006m
    - New ICT Operational Preparedness and POD applicants, ongoing license fees, £0.031m
    - Agile working set-up costs and ongoing purchases, £0.040m 2023/2024, then £0.020m ongoing refresh costs.

- In order to access developments in PPE; fire safety equipment; and operating procedures, aimed at managing emerging risks (lithium battery incidents, contamination of fire kit etc.) and improving firefighter safety, a permanent £0.050m innovation budget has been included in the proposed MTFP.

- A number of unavoidable / technical adjustments have been made in the proposed MTFP;

    - The Home Office have announced that the Firelink grant will be reduced by 20 percent in each of over the 2022/2023 – 2025/2026 period. The proposed MTFP reflects this loss of grant, and the net cost of the current Airwaves emergency services communication contract will increase by £0.270m by 2026/2027.

- The current MTFP included a drawdown of £0.089m from the Collection Fund reserve. After receiving the latest information from the billing authorities this drawdown is no longer required and has been reversed in the proposed MTFP.

124. **Cost of Capital Borrowing**
The proposed MTFP takes into account the 5-year capital programme and MRP policy, discussed previously in sections C and D, and the debt servicing budget has been increased by £0.100m in 2024/2025 rising to £0.150m in 2026/2027.

125. **Non-Pay Budget - "2% Efficiency Target"**
The NFCC as part of the discussions with the HO and Treasury over the 2023/2024 financial settlement, identified that the fire sector could deliver a 2% efficiency saving on the non-pay budgets. For MFRA this would equate to £0.335m. In order to achieve a balanced budget the actual efficiency target has been set at £0.380m.

The Fire Minister has written to FRAs following the announcement of the 2023/2024 provisional local government financial settlement and referenced the 2% efficiency target, and his expectation this saving is delivered and included within any 2023/2024 financial plan.

The Director of Finance & Procurement is confident a £0.380m efficiency saving can be offered up from non-pay budgets;

- Savings on new loans interest payments via effective treasury management (delaying / reducing external borrowing via use of internal cash), and

- Managing inflation on controllable non-pay budget lines combined with effective procurement in order to deliver a saving on the inflation provision.

A £0.380m efficiency saving has been built into the proposed MTFP.

126. **Resources Available:** The Authority has two main sources **Government Funding** and **Council Tax**.

127. **Government Funding;**

Settlement Funding Assessment (SFA);
In 2013/2014 the Government reformed the Fire and Local Government funding system and introduced the 50% Business Rates Retention scheme. The new system determines the Authority's funding allocation based on a Settlement Funding Assessment, (SFA), and this support can be broken down into two parts;

- **Baseline** – estimated value of retained **local business rates** plus **a Top-Up grant,** and
- **Revenue Support Grant**.

The Government have announced another one-year local government finance settlement, and, that business rates will be frozen again in 2023/2024. However, as business rates can be increased by a factor equal to the previous year's September Consumer Price Index (CPI) (10.1%), the Government announced it would continue to compensate authorities for the loss of income through a specific grant.

Following a business rates re-set in 2023/2024, any impact this has on the relevant Baseline funding estimate has been reflected in the 2023/2024 funding support, an increase of £0.754m.

The Authority's SFA for 2023/2024;

- Increase in Baseline Funding of +3.7% or £0.754m, and
- Increase in Revenue Support Grant of 10.1% or £1.175m.

The settlement resulted in an overall increase of 6.1% or £1.929m. This is £1.612m above the amount in the current MTFP.

Business Rates Multiplier Compensation Grant;
To compensate the Authority for the business rates freeze a £1.500m increase in the business rates multiplier grant was announced as part of the financial settlement. The MTFP assumes this increase will permanent.

Taking the business rates multiplier compensation grant increase and the SFA settlement together the overall increase compared to 2022/2023 is £3.429m or 10.8%. As the current MTFP assumed a 1% or £0.317m increase in 2023/2024, the settlement is £3.112m above the current MTFP assumption.

In addition to the 2023/2024 Business Rates freeze grant, the Government also compensate the Authority for any loss in business rates for approved ongoing discounts or new discounts in 2023/2024. Based on the Merseyside Authorities NNDR1 local business rate forecasts for 2023/2024, the Authority will receive **an additional £0.140m in s31 grants, rising to £0.250m from 2024/2025.** The MTFP assumes this increase will be permanent.

Within the SFA is a forecast of the local retained business rates assumed for the Authority of £4.462m. However, the business rate freeze and other discounts may impact on the local business rates yield. Based on the billing authorities forecast for local business rates yield in 2023/2024, the Authority's local share **is estimated at £4.062m, a shortfall of £0.400m against the SFA estimate.** The proposed MTFP includes the £0.400m reduction in local business rates for 2023/2024, and a potential ongoing impact of £0.100m in 2024/2025.

The proposed MTFP attempts to forecast future Government support beyond 2023/2024, however it is very challenging to forecast with any certainty the likely levels of support in future years. The Government issued a "Local Government finance policy statement 2023/2024 to 2024/2025" in December 2022, that set out the Government's intentions for 2024/2025 funding. The Policy statement indicated that the SFA uplift would be linked with the previous year's September Consumer Price Index (CPI), and any freeze in business rates would be compensated for via the payment of a compensation grant. **For 2024/2025 the proposed MTFP has assumed an uplift in the SFA of 2.5%**. The reasons for this is to ensure a consistency between the 2024/2025 pay award assumption and the increase in Government funding, as both will be driven by the relevant inflation at that time.

Beyond 2024/2025 is especially difficult to forecast as the Government plans to complete and implement the outcome of the Fair Funding review. This review will consider how the current funding system assesses local authority needs and resources. This future review may impact on the Authority's share of Government funding. The next Government Comprehensive Spending Review, CSR, is also likely to be after the next General Election, and any change in Government is likely to impact on the total funding available for Local Government. In order to produce a 5-year MTFP the **assumption is that the SFA will increase by 1.0% p.a. from 2025/2026.** By assuming a 1% increase, which may be on the low side of future inflation forecasts, it creates some robustness within the forecast to absorb any adverse impact of the fair funding review.

Hopefully, future Government spending reviews will announce multi-year SFA settlements and this would provide more certainty and aid effective financial planning.

Services Grant;
The Government announced a new £822m un-ringfenced "one-off" **Services Grant** for 2022/2023, but stated that this grant is a one-off, as it wanted to review how the grant would be allocated in future years. The grant was to provide funding to all tiers of local government in recognition of the vital services delivered at every level of local government and cover the increase in employer national insurance rates of 1.25% from April 2022. The Authority's Services grant allocation in 2022/2023 was £1.388m, and the current MTFP assumed this would continue in future years. The Authority has received a 2023/2024 grant allocation of £0.814m, a reduction of £0.574m although £0.336m of this is down to the reversal of the proposed NI increase. The proposed MTFP assumes the Authority will receive a £0.814m Services Grant in future years.

128. **Council Tax income**;
The current plan assumed a Council Tax Base increase of 1% for 2023/2024 and future years. The actual increase in 2023/2024 was +2.35%, and the proposed plan now incorporates this increase. An element of the increase is due to a review by some authorities of their local council tax support schemes. The proposed MTFP reduces future tax base increases to +0.5% p.a. as the cost of living crisis may supress collection rates. The 2023/2024 Tax Base increases were:-

129. The 2023/2024 Tax Base increases were:-

District	2022/23 Council Tax Taxbase	2023/24 Council Tax Taxbase	Variance	
LIVERPOOL	108,460.97	114,506.34	6,045.37	5.57%
WIRRAL	95,172.39	95,585.07	412.68	0.43%
ST.HELENS	53,290.00	53,317.00	27.00	0.05%
SEFTON	84,170.40	85,663.60	1,493.20	1.77%
KNOWSLEY	37,907.00	38,820.00	913.00	2.41%
	379,000.76	387,892.01	8,891.25	2.35%
2022/23 Band D Tax Level	83.61	83.61		
Total Income £	31,688,254	32,431,651	743,397	2.35%

130. This means that for each £1 of Council Tax the level of income will be higher than that generated in 2022/2023 by £8,891.25. **The result of this is that the income from the current level of Council Tax is anticipated to be higher by £0.743m.**

131. The Government has announced that for 2023/2024 the maximum level of increase in Council Tax before holding a referendum will be £5.00. This appears to be a one-off offer as the December 2022 local government finance policy paper indicated the precept increase referendum limit would be just under 3% in 2024/2025. The current and proposed MTFP assumes that Members will uplift the Precept by the referendum limit of £5.00 in 2023/2024, and just under 3% in 2024/2025, and just under 2% in each year after that. A £5.00 (6%) increase for 2023/2024 will see the Band D precept increase from £83.61 to £88.61**. The precept increase will raise an additional £1.939m in 2023/2024**.

Council Tax Increase			
	Change In Band D Tax		
	0%	£5.00	Change
District	£83.61	£88.61	£5.00
	£	£	£
LIVERPOOL	9,573,875	10,146,407	572,532
WIRRAL	7,991,868	8,469,793	477,925
ST.HELENS	4,457,834	4,724,419	266,585
SEFTON	7,162,334	7,590,652	428,318
KNOWSLEY	3,245,740	3,439,840	194,100
	32,431,651	34,371,111	1,939,460

Council Tax and Business Rates Collection Fund

132. 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 Merseyside authorities have reviewed their collection funds and identified the proportion of any surplus or deficit attributable to the Authority. The tables below summarises the collection fund position for Council Tax and Business Rates :-

Council Tax Collection Fund			
District	deficit/ (surplus)	deficit/ (surplus)	deficit/ (surplus)
	2020/21	2022/23	Total
	£	£	£
LIVERPOOL	234,327	-356,751	-122,424
WIRRAL	56,000	8,000	64,000
ST.HELENS	17,746	58,668	76,414
SEFTON	70,105	-147,864	-77,759
KNOWSLEY	0	-44,000	-44,000
Net MFRA Impact	**378,178**	**-481,947**	**-103,769**

133. The council tax collection fund has a surplus of £103,769, and this will be taken into account in the 2023/2024 MTFP.

Business Rates Collection Fund			
District	deficit/ (surplus)	deficit/ (surplus)	deficit/ (surplus)
	2020/21	2022/23	Total
	£	£	£
LIVERPOOL	33,439	-145,460	-112,021
WIRRAL	24,130	42,143	66,273
ST.HELENS	6,733	-21,024	-14,291
SEFTON	16,492	-144,855	-128,363
KNOWSLEY	18,133	-26,701	-8,568
Net MFRA Impact	98,927	-295,897	-196,970

134. The business rates collection fund has a surplus of £196,970.

135. The current MTFP had assumed a 2023/2024 total collection fund deficit of £0.476m, (£0.377m Council Tax and £0.099m on the Business Rates), arising from the 2020/2021 deficits that the Government allowed billing authorities to spread over 2021/2022 – 2023/2024. The identified surpluses in the 2021/2022 – 2022/2023 collections have off-set the 2020/2021 deficits and delivered a net surplus of £0.301m, (a £0.777m favourable adjustment in the proposed MTFP) that will be built into the 2023/2024 MTFP.

Discretionary service Charges

136. Members approved an overarching charging policy for special and discretionary services at the Policy and Resources Committee on 25th March 2021. The income raised is included within the budget, approximately £0.025m for special services charges. The report approved by members' included a recommendation that the charges will be uplifted annually as outlined below, and details about the charges will be included with each annual budget report for consideration.

Proposed increase in charges based on;

a. Except Automatic Fire Alarms and Reinforcing Moves, all fees and charges have increased by 7%, in line with the current 2022/2023 firefighter pay offer.

b. Automatic Fire Alarms have gone up with the CPI rate for December 2022, which was 10.5%.

c. Reinforcing Moves (section 13 & 16 charges) are to remain the same.

Appendix E attached to this report outlines the proposed 2023/2024 charges.

OVERALL IMPACT

137. The overall impact of all these changes to the 2022/2023 MTFP is outlined below :-

	2023/24	2024/25	2025/26	2026/27	2027/28
Current 2022/23 MTFP Forecast (Surplus) / Deficit	**0**	**775**	**883**	**994**	**994**
2023/24 MTFP Issues to build in future MTFP:-					
Impact of **2022/23 Pay Awards** (assuming 7% for firefighters) above the 2.5% assumption	2,171	2,171	2,171	2,171	2,171
Assume **5% Pay Awards in 23/24** (increase of 2.5%)	1,039	1,282	1,282	1,282	1,282
Reduction In Employers NI (1.25%)	-336	-336	-336	-336	-336
Impact of Higher Energy / Price inflation 22/23;	1,332	1,332	1,332	882	882
2027/28 Inflation provision					1,600
MRP/Interest - inflationary impact on cost of capital goods	0	100	100	150	150
Loss of Firelink Grant over 2023/24 - 2025/26	110	161	216	270	270
Provision for increasing Control and Operational establishment to improve resilience, training and response	334	334	334	334	334
Provision for review of Establishment to meet recruitment/retention challenges	300	300	300	300	300
Innovation Budget based on Firefighter Safety needs	50	50	50	50	50
Efficency Target (Procurement, Interest Payments, Inflation, other)	-380	-380	-380	-380	-380
Copyright Licensing Fee; Agile Working and ICT license fees	77	57	57	57	57
Reduction in Services Grant £1.388m to £0.782m	574	574	574	574	574
Reverse 2023/24 planned Collection Fund Reserve use	89				
Increase in Bus Rates Multiplier s31 compensation grant **(10.1%)**	-1,500	-1,500	-1,500	-1,500	-1,500
Increase in SFA Funding in 2023/24 above current MTFP Assumption	-1,612	-2,133	-2,154	-2,176	-2,527
Increase in Precept yield if £5 (23/24) and 3% in 24/25 implemented / Tax Base changes	-1,731	-1,954	-1,832	-1,700	-2,631
Collection Fund Change	-777				
Additional Bus Rates compensation grants	-140	-250	-250	-250	-250
SFA Local Business Rates estimate adjustment	400	100			
Summary of impact of changes to 2023/24 MTFP	**0**	**-92**	**-36**	**-272**	**46**
Forecast (Surplus) / Deficit	**0**	**683**	**847**	**722**	**1,040**

138. The proposed MTFP as a result of the changes identified in this section of the report, forecasts a balanced position in 2023/2024 but indicates a potential financial challenge in future years rising to £1.040m by 2027/2028.

139. As the updated MTFP results in a balanced financial position for 2023/2024 Members do not need to consider options for additional savings in 2023/2024. This is subject to the key assumptions, particularly around the 2022/2023 firefighter (7%) and all staff (5%) 2023/2024 annual pay increases, remaining robust.

140. The updated MTFP is attached to this report as Appendix C.

(H) ADEQUACY OF RESERVES AND BALANCES

141. 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.

142. 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.

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

144. 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

145. 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

146. 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.

147. 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:

a) the reasons for that situation

b) the actions, if any, considered appropriate to prevent the situation arising.

148. 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

149. 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)

150. 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%.

151. For this Authority, a 5% forecast Net Operating Expenditure equates to approximately £3.4m. Given the level of specific reserves held by the Authority to cover those issues deemed to be high risk, such as annual pay inflation, the current General Revenue Reserve is deemed prudent. The Director of Finance and Procurement (Chief Finance Officer) recommends **maintaining the general reserve at its current £3.0m level**.

Committed (Earmarked) Reserves

152. The Authority has created these reserves for specific purposes and involves funds being set aside to meet known or predicted future liabilities or risks. The Director of Finance and Procurement has carried out a review of current reserves based on the latest financial review; know financial risks; and, the planned future use of the Authority's forecast reserves. Some reserves have been slightly realigned based on an assessment of risk, and the adjustments have been outlined in the Appendix D and summarised in the following paragraphs. The proposed reserves for 2023/2024 and future years are outlined below and the planned use over the MTFP is in the table at the end of this section and attached as Appendix D.

153. **Emergency & Insurance Related Reserves;**

a) **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.

b) **Insurance Reserve, £0.5m** - 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.

154. **Modernisation Challenge Reserves**;

a) **Smoothing Reserve, £1.0m** - This reserve was created to allow the Authority time to re-engineer the Service and deliver future saving options if the future Government funding assumptions in the proposed MTFP do not reflect the actual future change. This level of uncertainty means the Authority may face significant future funding cuts but with little time to manage any required budget reductions. By having this 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. As the December 2022 local government finance policy paper has provided some guide to the 2024/2025 settlement the reserve and reduced some of the uncertainty around the 2024/2025 SFA, the reserve has been reduced from £1.8m to £1.0m.

b) Pensions Reserve, £0.6m

The Government directed all public bodies and in particular fire and rescue authorities to pause any proposals to action any immediate detriment proposals and allow eligible pension members access to legacy scheme benefits following the outcome of the McCloud case. The required legislative and regulation changes are expected to be announced in the summer (2023) with a requirement to commence processing all eligible members from October 2023. The implementation of the remedy may result in significant administration costs as well as possible compensation payments. This reserve has been established to contribute towards such costs, although it is hoped the Government will fund all such costs as the changes to public pension schemes came about due to Government legislation changes.

c) **Recruitment Reserve, £1.8m** – As significant numbers of firefighters will retire over the next few 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 +£0.3m p.a. This reserve will cover any costs that can’t be contained within the establishment budget. The reserve has been increased by £0.3m from £1.5m to £1.8m to meet this commitment up to 2029/2030, after which retirement numbers are expected to be lower.

d) **Invest to Save Reserve, £0.3m** - This reserve was established to pump prime efficiency initiatives required to deliver longer term savings. The reserve will be used by the Applications team in order to facilitate the development of in-house and other applications that will reduce staff administration support costs in the future.

e) **Collection Fund Reserve, £0.2m** – Section G of this report outlines the council tax and business rates collection fund positions for 2023/2024. The improvement in the Collection Fund position over the last 12 months has meant the potential call on the reserve has significantly reduced. Therefore, the reserve has been reduced by £0.9m. Given the fluctuation over the last year or so, it is felt prudent to keep a small reserve.

155. **Capital Reserve, £8.3m**
The reserve is committed to contribute towards capital investments and reduce the required level of borrowing. The new TDA and fire station site has a planned £6.3 drawdown in 2023/2024. The general capital reserve has been increased by £1.2m to £2.0m, in order to reduce borrowing costs in the future given the impact of inflation on capital scheme costs.

156. **PFI Annuity Reserve, £1.4m**
PFI schemes have an affordability gap (existing budget plus grant never covers the proposed total cost of the scheme). As the grant was paid in advance of the full PFI scheme being completed, PFI authorities therefore received "excess" grant relative to the unitary charge payments at the beginning of the scheme. This available grant was put into a reserve and is then drawndown 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.

157. **Specific Reserves;**

a **Inflation Reserve, £1.7m** - This reserve provides some resilience if the pay and price inflation assumptions in the MTFP are insufficient and the actual inflation increase is higher than expected. Each additional 1% above the pay inflation assumption would require a permanent budget increase of +£0.5m 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.

b **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. The reserve has been increased by £0.1m as part of the reserves review in light of the numbers of firefighter recruits expected to join the Service in the coming years.

c **Equipment, £0.2m** – 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 – 18 months.

d **Other, £0.1m** – this reserve is to fund community-based initiatives and additional PPE as a result of recruiting firefighters in advance of retirements.

158. **Ringfenced Reserves, £0.5m** - External grants / contributions have been received to fund specific projects such as; Local Authorities funds for community initiatives; energy efficiency schemes; and new dimensions related activities. This reserve ensures the funds are brought forward until they have been fully spent.

159. The anticipated planned use of these reserves over the MTFP is outlined in the table below:-

Committed Reserves														
	Balance to be C/fwd From 2022/23	Proposed Re-alignment	Revised Balance to be C/fwd from 2022/23	Estimated 2023/24 Use	Estimated 2024/25 Use	Estimated 2025/26 Use	Estimated 2026/27 Use	Estimated 2027/28 Use	Estimated 2028/29 Use	Estimated 2029/30 Use	Estimated 2030/31 Use	Estimated 2031/32 Use	Estimated 2032/33 Use	Held to Cover Risk
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Emergency Related Reserves														
Bellwin / Emergency Planning Res	222		222											222
Insurance Reserve	499		499											499
Modernisation Challenge			0											
Smoothing Reserve	1,788	-788	1,000											1,000
Pensions Reserve	590		590		-375	-215								0
Recruitment Reserve	1,450	300	1,750		-300	-300	-300	-300	-300	-250				0
Invest to Save / Collaboration Res	282		282		-282									0
Collection Fund Reserve	1,114	-864	250											250
Capital Investment Reserve			0											
New TDA & Station	6,316		6,316	-6,316										0
Other	785	1,202	1,987	0	-1,890	-150	0							-53
PFI Annuity Reserve	1,373		1,373	-69	-75	-80	-90	-100	-110	-120	-130	-140	-150	309
Specific Projects														
Community Sponsorship Reserve	55		55		-55									0
Equipment Reserve	195		195		-195									0
Community Engagement Reserve	2		2		-2									0
Training Reserve	50	150	200		-200									0
Health and Wellbeing Reserve	0		0											0
Inflation Reserve	1,650		1,650											1,650
Clothing	90		90		-90									0
Ringfenced Reserves														
Community Risk Management Res	305		305		-155	-150								0
Energy Reserve	201		201	68										269
New Dimensions Reserve	39		39		-39									0
Forecast Use of Reserves in the year	17,006	0	17,006	**-6,317**	**-3,658**	**-895**	**-390**	**-400**	**-410**	**-370**	**-130**	**-140**	**-150**	**4,146**
Total Earmarked Reserves Bal C/fwd	**17,006**	**0**	**17,006**	**10,689**	**7,031**	**6,136**	**5,746**	**5,346**	**4,936**	**4,566**	**4,436**	**4,296**	**4,146**	**4,199**
General Revenue Reserve	**3,000**	**0**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**
Total Reserves	**20,006**	**0**	**20,006**	**13,689**	**10,031**	**9,136**	**8,746**	**8,346**	**7,936**	**7,566**	**7,436**	**7,296**	**7,146**	**7,199**

160. The Director of Finance and Procurement recommends that the Authority approve the maintenance of the £17.006m identified above in committed reserves to cover the risks and projects identified in this section of the report, and a general reserve of £3.000m.

161. **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.**

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

(I) BUDGET TIMETABLE & RESOLUTION

163. There is a legal requirement for the Authority to set a balanced budget and decide its level of precept before 1st March 2023. The Authority meeting is now invited to:

a) Confirm the financial plan set out in Appendix C, approve the budget requirement of £67.921m for 2023/2024 as outlined in Appendix C.

b) note that the Authority's council tax base for 2023/2024 is 387,892.01, being the aggregate of the tax bases calculated by the Districts.

c) 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 2023/2024	**Gross Income 2023/2024**	**Estimate 2023/2024**
			£'000	**£'000**	**£'000**
(A)	sec 42 (2) (a)	Service Budget	88,186		88,186
(B)	sec 42 (3) (a)	Income		-13,948	-13,948
		Reserves Movement:			
(A)	sec 42 (2) (c)	Contribution to reserves	68		68
(B)	sec 42A (3) (a)	Contribution from reserves		-6,385	-6,385
		Budget Requirement	88,254	-20,333	67,921
(B)	sec 42A (3) (a)	Spending Funding Assessment		-33,649	-33,649
(B)	sec 42A (3) (a)	Local NNDR Estimate Adjustment		400	400
(B)	sec 42A (3) (a)	Collection Fund Deficit / (Suplus)		-301	-301
		Non-Precept Income		-33,550	-33,550
(C)	In accordance with Sec 42A (4), aggregate of (A) over (B)	**Precept Requirement**			**34,371**
		Tax Base			**387,892.01**
		Precept Requirement / Tax Base:			**£88.61**
		Basic Tax Amount At Band 'D'			**£88.61**

164. 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:

2023/24	Property Band		Increase	
£			£	%
£59.07	For properties in Band	A	3.33	5.97
£68.92	For properties in Band	B	3.89	5.98
£78.76	For properties in Band	C	4.44	5.97
£88.61	**For properties in Band**	**D**	**5.00**	**5.98**
£108.30	For properties in Band	E	6.11	5.98
£127.99	For properties in Band	F	7.22	5.98
£147.68	For properties in Band	G	8.33	5.98
£177.22	For properties in Band	H	10.00	5.98

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

PRECEPT		AUTHORITY
£		
10,146,407	Payable by	LIVERPOOL
8,469,793	Payable by	WIRRAL
4,724,419	Payable by	ST.HELENS
7,590,652	Payable by	SEFTON
3,439,840	Payable by	KNOWSLEY
34,371,111		

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

Friday	21/04/2023
Thursday	01/06/2023
Friday	07/07/2023
Monday	14/08/2023
Wednesday	20/09/2023
Thursday	26/10/2023
Friday	01/12/2023
Friday	12/01/2024
Monday	19/02/2024
Friday	15/03/2024

Equality and Diversity Implications

167. 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

168. The proposed MTFP underpins the authorities ambition to be the best fire and rescue service in the country - our plan ensure that our people are afforded the relevant training, work equipment and personal protective equipment the job requires.

Legal Implications

169. 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 2023.

Financial Implications & Value for Money

170. See executive summary.

Risk Management, Health & Safety, and Environmental Implications

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

Contribution to Our Vision:	***To be the best Fire & Rescue Service in the UK.***
Our Purpose:	*Here to serve, Here to protect, Here to keep you safe.*

172. The proposed financial plan considers how best to allocate resources and deliver a balanced budget aligned to the Authority's vision and purpose of the service and service priorities.

BACKGROUND PAPERS

CFO/007/22 "MERSEYSIDE FIRE AND RESCUE AUTHORITY BUDGET AND FINANCIAL PLAN 2022/2023 – 2026/2027" Budget Authority 24th February 2022

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
CPI	Consumer Price Index

DLUHC	Department for Levelling Up, Housing and Communities
FPS	Firefighters' Pension Scheme
FTE	Full Time Equivalent employee number
IRMP	Integrated Risk Management Plan
LGPS	Local Government Pension Scheme
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
PFI	Private Finance Initiative
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.
TDA	The Training and Development Academy
UNSUPPORTED BORROWING	No Revenue Support Grant to cover the costs associated with borrowing and the Authority must earmark revenue funds to cover these costs.

APPENDIX A

SERVICE REQUIREMENTS	Draft 2023/24 Budget
	£'000
Fire Service	68,959
Corporate Management	529
NRAT MFRS Lead Authority (Budget Neutral)	0
	69,488
Contingency for Pay/Price Changes	4,922
TOTAL SERVICE EXPENDITURE	74,410
Interest on Balances	-172
NET OPERATING EXPENDITURE	74,238
Contribution to/(from) Reserves:	
Collection Fund Deficit Reserve	0
Capital/ TDA Refurbishment Reserve	-6,316
PFI Annuity Reserve	-69
Energy Reserve	68
Movement in Reserves	-6,317
BUDGET REQUIREMENT	67,921
Settlement Funding Assessment	-33,649
Collection Fund Deficit	-301
Business Rates yield adjustment (NNDR1 to SFA)	400
Precept Income	-34,371
BUDGET FUNDING	-67,921

SERVICE REQUIREMENTS	Draft 2023/24 Budget
	£'000
EMPLOYEES	
Uniformed	
Firefighters	34,454
Control	1,582
Additional Hours	1,309
TOTAL UNIFORMED	37,345
APT&C and Manual	
APT&C	11,582
Tender Drivers	157
Catering	232
Transport Maintenance	708
Hydrant Technicians	59
Casuals	0
TOTAL APT&C/MANUAL	12,738
Other Employee Expenses	
Allowances	49
Removal Expenses	1
Training Expenses	454
Other Expenses	9
Staff Advertising	7
Development Expenses	80
Employee Insurance	147
MPF Pen Fixed Rate	-200
Enhanced Pensions	52
SSP & SMP Reimbursements	0
Catering Expenditure	125
HFRA Capitalisation Payroll	-375
TOTAL OTHER EMPLOYEE EXPENSES	349
Pensions	
Injury Pension	1,790
Sanction Charges	21
Ill Health Retirement Charges	0
Injury Gratuity	174
TOTAL PENSIONS	1,985
TOTAL EMPLOYEES	52,417
PREMISES	
Building Maintenance Repairs	29
Site Maintenance Costs	25
Energy	1,966
Rent	46
Rates	1,584
Water	300
Fixtures	15
Contract Cleaning	0
Insurance	54
TOTAL PREMISES	4,019
TRANSPORT	
Direct Transport	310
Tunnel & Toll Fees	11
Operating Lease	133
Other Transport Costs	523
Car Allowances	91
Insurance	244
TOTAL TRANSPORT	1,312

SERVICE REQUIREMENTS	Draft 2023/24 Budget
	£'000
SUPPLIES & SERVICES	
Administrative Supplies	**13**
Operational Supplies	**272**
Hydrants	**11**
Consumables	**44**
Training Supplies	**103**
Fire Prevention Supplies	**54**
Catering Supplies	**18**
Uniforms	**331**
Printing & Stationery	**95**
Operating Leases	**1**
Professional Fees/Service	**411**
Communications	**880**
Postage	**15**
Command/Control	**5**
Computing	**369**
Medicals	**269**
Travel & Subsistence	**65**
Grants/Subscriptions	**106**
Advertising	**1**
Insurances	**36**
Furniture	**13**
Laundry	**82**
Hospitality	**7**
Seconded Officers In	**0**
TOTAL SUPPLIES & SERVICES	**3,201**
AGENCY SERVICES	
Super Fund Admin	**126**
ICT Service Provider	**1,675**
ICT Managed Suppliers	**410**
PFI Unitary Charges ((Int/Principal/Op Costs)	**3,016**
Estates Service Provider	**1,733**
TOTAL AGENCY SERVICES	**6,960**
CENTRAL EXPENSES	
Finance & Computing	**507**
Central Expenses	**0**
TOTAL CENTRAL EXPENSES	**507**
CAPITAL FINANCING	
PWLB Debt Charges	**13,906**
MRB Debt Charges	**60**
Revenue Contribution to Capital	**375**
Early Settement of Debt (Pfi Refin)	**-22**
TOTAL CAPITAL FINANCING	**14,319**
TOTAL EXPENDITURE	**82,735**
INCOME	
Specific Grants	**11,199**
Sales	**1**
Fees & Charges	**1,210**
Reinforcing Moves	**5**
Rents etc	**900**
Recharges Secondments	**210**
Contributions	**128**
Recharges Internal	**113**
Other Income	**10**
TOTAL INCOME	**13,776**
NET EXPENDITURE	**68,959**

SERVICE REQUIREMENTS	Draft 2023/24 Budget
	£'000
EXPENDITURE	
Finance & Legal costs	
Finance Officer	**79**
Legal Officer	**78**
Democratic Rep (1020)	
- Travel & Subsistence	**18**
- Conference Fees	**2**
- Members Allowances	**210**
- Telephones	**1**
- Training	**1**
- Hospitality	**1**
Central Expenses (1030)	
Bank Charges	**15**
District Audit Fees	**45**
Subscriptions	**79**
TOTAL EXPENDITURE	**529**

Capital Programme 2023/2024 to 2027/2028

Capital Expenditure	Total Cost £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
Building/Land	32,991,000	30,026,000	572,500	1,027,500	827,500	537,500
Fire Safety	3,175,000	635,000	635,000	635,000	635,000	635,000
ICT	6,899,840	2,526,960	1,206,460	1,018,860	1,174,660	972,900
NRAT Resilience Assets	0	0	0	0	0	0
Operational Equipment & Hydrants	4,107,300	977,800	1,546,000	462,000	390,500	731,000
Vehicles	7,778,650	2,096,800	1,300,850	2,176,000	200,000	2,005,000
Expenditure	54,951,790	36,262,560	5,260,810	5,319,360	3,227,660	4,881,400
Financing Available	**Total £**	**2023/24 £**	**2024/25 £**	**2025/26 £**	**2026/27 £**	**2027/28 £**
Capital Receipts	3,915,000	3,915,000	0	0	0	0
RCCO	1,875,000	375,000	375,000	375,000	375,000	375,000
Capital Reserves	6,315,900	6,315,900	0	0	0	0
Total Non Borrowing	12,105,900	10,605,900	375,000	375,000	375,000	375,000
Unsupported Borrowing	42,845,890	25,656,660	4,885,810	4,944,360	2,852,660	4,506,400
Total Funding	54,951,790	36,262,560	5,260,810	5,319,360	3,227,660	4,881,400

Buildings Capital Programme 2023/2024 to 2027/2028

Type of Capital Expenditure		Total Cost £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
Major Site Refurbishments							
BLD016	Community Station Investment	**30,000**	30,000				
BLD039	FS Refurbishment Heswall	**90,000**	90,000				
BLD041	FS Refurbishment Aintree	**150,000**	150,000				
BLD055	FS Refurbishment Bromborough	**1,200,000**	1,200,000				
BLD057	FS Refurbishment Crosby	**350,000**	50,000			300,000	
BLD063	FS Refurbishment Kirkby	**365,000**	365,000				
BLD085	FS Refurbishment Speke/Garston	**300,000**	300,000				
BLD086	FS Refurbishment Old Swan	**300,000**	300,000				
BLD088	FS Refurbishment Kensington	**130,000**	130,000				
BLD089	FS Refurbishment Toxteth	**200,000**	200,000				
BLD090	FS Refurbishment Wallasey	**525,000**	25,000		500,000		
BLD091	TDA New Build	**24,538,000**	24,538,000				
BLD093	Marine Fire 1 Refurbishment	**150,000**	150,000				
BLD095	Electric Vehicle Infrastructure Works	**155,000**	55,000	25,000	25,000	25,000	25,000
		28,483,000	**27,583,000**	**25,000**	**525,000**	**325,000**	**25,000**
Other							
BLD073	SHQ Museum	**191,000**	191,000				
		191,000	**191,000**				
LLAR Accommodation Works							
BLD075	LLAR Accommodation Newton-le-Willows	**720,000**	720,000				
		720,000	**720,000**				
General Station Upgrade Works							
BLD001	Roofs & Canopy Replacements	**325,000**	145,000	45,000	45,000	45,000	45,000
BLD003	Appliance Room Door Repairs	**125,000**	25,000	25,000	25,000	25,000	25,000
BLD004	Concrete Yard Repairs	**162,500**	72,500	22,500	22,500	22,500	22,500
BLD005	Tower Improvements	**75,000**	15,000	15,000	15,000	15,000	15,000
BLD011	Capital Refurbishment	**85,000**	15,000	15,000	15,000	15,000	25,000
BLD013	Non Slip Coating to Appliance Room Floors	**292,000**	172,000	30,000	30,000	30,000	30,000
BLD014	Boiler Replacements	**125,000**	65,000	15,000	15,000	15,000	15,000
BLD020	Electrical Testing	**175,000**	75,000	25,000	25,000	25,000	25,000
BLD033	Sanitary Accommodation Refurbishment	**195,000**	115,000	20,000	20,000	20,000	20,000
BLD044	Asbestos Surveys	**70,000**	30,000	10,000	10,000	10,000	10,000
BLD060	DDA Compliance	**350,000**	150,000	50,000	50,000	50,000	50,000
		1,979,500	**879,500**	**272,500**	**272,500**	**272,500**	**282,500**
Other Works							
BLD007	L.E.V. System in Appliance Rooms	**57,500**	37,500	5,000	5,000	5,000	5,000
BLD018	Conference Facilities SHQ	**65,000**	45,000	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	**75,000**	15,000	15,000	15,000	15,000	15,000
BLD034	Office Accommodation	**165,000**	65,000	25,000	25,000	25,000	25,000
BLD053	Headquarters Lighting	**10,000**	10,000				
BLD058	HVAC - Heating, Ventilation & Air Con	**85,000**	5,000	5,000	25,000	25,000	25,000
BLD061	Lightening Conductors & Surge Protection	**65,000**	45,000	5,000	5,000	5,000	5,000
BLD062	Emergency Lighting	**50,000**	30,000	5,000	5,000	5,000	5,000
BLD067	Gym Equipment Replacement	**165,000**	45,000	45,000	25,000	25,000	25,000
BLD092	Service Headquarters Offices	**50,000**	50,000				
BLD094	Security Enhancement Works	**125,000**	25,000	25,000	25,000	25,000	25,000
BLD096	Passive Fire Strategy	**100,000**	20,000	20,000	20,000	20,000	20,000
TDA001	TDA Refurbishment	**20,000**	20,000				
CON001	Energy Conservation Non-Salix	**270,000**	150,000	30,000	30,000	30,000	30,000
EQU002	Replacement prog for Fridge Freezers	**75,000**	15,000	15,000	15,000	15,000	15,000
EQU003	Furniture Replacement Programme	**205,000**	60,000	70,000	25,000	25,000	25,000
		1,617,500	**652,500**	**275,000**	**230,000**	**230,000**	**230,000**
		32,991,000	**30,026,000**	**572,500**	**1,027,500**	**827,500**	**537,500**

Fire Safety Capital Programme 2023/2024 to 2027/2028

Type of Capital Expenditure		Total Cost £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
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
		3,175,000	**635,000**	**635,000**	**635,000**	**635,000**	**635,000**

ICT Capital Programme 2022/23 to 2027/28

Type of Capital Expenditure	Total Cost £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
IT002 ICT Software						
Software Licences	**10,000**	2,000	2,000	2,000	2,000	2,000
New Virtualisation Infrastructure	**75,000**	75,000				
5 Year Antivirus & Filtering Software	**20,300**	20,300				
MDT Software Solution Refresh	**100,000**	100,000				
Microsoft SQL Upgrade	**50,000**	50,000				
Logpoint Security Information and Event Mgmt (SIEM)	**206,000**	103,000			103,000	
3 Year Antivirus & Filtering Software	**150,000**			150,000		
3 Year PRTG Subscription License	**6,000**			6,000		
Microsoft EA Agreement (Servers & Security)	**155,000**	31,000	31,000	31,000	31,000	31,000
Microsoft EA Agreement (Windows & Office)	**1,210,000**	242,000	242,000	242,000	242,000	242,000
Microsoft EA Agreement (Application Development)	**185,000**	37,000	37,000	37,000	37,000	37,000
	2,167,300	**660,300**	**312,000**	**468,000**	**415,000**	**312,000**
IT003 ICT Hardware						
Desktops (target 20%)	**228,300**	44,200	40,100	48,000	48,000	48,000
Laptops/Surface Pros/Tablets/Docking Stations (target 20%)	**489,600**	66,100	62,000	120,500	120,500	120,500
Monitors & Monitor Arms (target 20%)	**74,100**	18,100	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%)	**66,340**	16,860	12,360	12,360	12,360	12,400
Mitel Handset Refresh	**135,000**					135,000
Landline Handset Refresh	**10,000**	10,000				
Audio Visual Conference Facility - SHQ	**64,100**	4,100	60,000			
Audio Visual Conference Facility - TDA						
Audio Visual Conference Facility - Stations	**4,100**	4,100				
New Long Lane Station	**22,400**	22,400				
Backup Tape Drive 5-year asset refresh	**25,000**				25,000	
IPTV 5-year asset refresh	**36,800**				36,800	
Members Push Button Microphone replacement	**25,000**	25,000				
	1,195,740	**213,860**	**191,460**	**197,860**	**259,660**	**332,900**
IT005 ICT Servers						
Server/storage replacement (target 20%)	**555,600**	295,600	65,000	65,000	65,000	65,000
Server/storage growth	**84,000**	28,000	14,000	14,000	14,000	14,000
SAN 5 Year Refresh	**135,000**		135,000			
	774,600	**323,600**	**214,000**	**79,000**	**79,000**	**79,000**
IT018 ICT Network						
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	**242,900**	42,900	200,000			
Wireless Access Points and Wireless Controllers - Increase	**74,500**	74,500				
MDT Wireless Network Replacement	**50,000**			50,000		
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			
PSTN replacement asset refresh	**125,000**				125,000	
Enhanced Virgin Media Network Phase Five Wireless Access Point	**150,000**					150,000
	822,400	**134,400**	**312,000**	**67,000**	**142,000**	**167,000**
IT026 ICT Operational Equipment						
Pagers/Alerters	**20,000**	4,000	4,000	4,000	4,000	4,000
Callmy Alert	**5,000**	1,000	1,000	1,000	1,000	1,000
Station Equipment Replacement	**50,000**	10,000	10,000	10,000	10,000	10,000
GPS Repeater 5-year asset refresh	**55,000**					55,000
Toughpad Asset Refresh - Vehicles	**150,000**		150,000			
MDT Replacement (Not incl. in ESMCP)	**75,000**	75,000				
NEW Station End Network Equipment Asset Refresh	**140,000**			140,000		
Increase in Appliances - Equipment	**25,400**	25,400				
ICU existing hardware 5-year asset refresh	**20,000**				20,000	
MDT (Screen & CPU) Front Line Vehicles asset refresh	**210,000**				210,000	
Bromborough Station Refurbishment	**30,000**	30,000				
	780,400	**145,400**	**165,000**	**155,000**	**245,000**	**70,000**
IT027 ICT Security						
Remote Access Security FOBS	**10,000**	2,000	2,000	2,000	2,000	2,000
Celestix 3-year renewal - VPN tokens	**44,000**	22,000			22,000	
	54,000	**24,000**	**2,000**	**2,000**	**24,000**	**2,000**
IT058 New Emergency Services Network (ESN)						
ESN Radios / Infrastructure - Estimate	**40,000**	40,000				
	40,000	**40,000**				
IT063 Planning Intelligence and Performance System						
PIPS System upgrade	**120,000**	120,000				
	120,000	**120,000**				
Other IT Schemes						
IT019 Website Development	**40,000**			40,000		
IT028 System Development (Portal)						
IT030 ICT Projects/Upgrades	**25,000**	5,000	5,000	5,000	5,000	5,000
IT055 C.3.I. C.&.C Communication & Information	**25,000**	5,000	5,000	5,000	5,000	5,000
IT059 ESMCP Project Control Room Integration						
IT062 Capita Vision 3 Update (CFO/058/17)	**25,900**	25,900				
IT064 999 Emergency Streaming (999EYE)	**40,000**	40,000				
IT065 Dynamic Cover/Response Tool	**35,000**	35,000				
IT066 ESN Ready						
IT067 DCS Upgrade						
IT068 Command & Control Suite	**501,000**	501,000				
FIN001 FMIS/Eproc/Payroll/HR Replacement	**253,500**	253,500				
	945,400	**865,400**	**10,000**	**50,000**	**10,000**	**10,000**
	6,899,840	**2,526,960**	**1,206,460**	**1,018,860**	**1,174,660**	**972,900**

NRA Assets 2023/2024 to 2027/2028

Type of Capital Expenditure	Total Cost £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
OPS055 NRAT Asset Refresh	**0**	0	0	0	0	0
VEH011 NRAT Vehicles	**0**	0	0	0	0	0
	0	**0**	**0**	**0**	**0**	**0**
	0	**0**	**0**	**0**	**0**	**0**

Operational Equipment Capital Programme 2023/2024 to 2027/2028

Type of Capital Expenditure	Total Cost £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
OPS001 Gas Tight Suits Other PPE						
Gas Tight Suits	**38,500**	11,500	6,500	6,500	7,000	7,000
Bump Hats	**7,500**		2,500		2,500	2,500
	46,000	**11,500**	**9,000**	**6,500**	**9,500**	**9,500**
OPS003 Hydraulic Rescue Equipment						
Hydraulic Rescue Equipment - Replacement Prog	**765,000**	85,000	350,000	110,000	110,000	110,000
Air Lifting Equipment - Air Bags & Control Units	**100,000**		10,000	80,000		10,000
	865,000	**85,000**	**360,000**	**190,000**	**110,000**	**120,000**
OPS005 Resuscitation Equipment						
Resuscitation Rescue Equipment	**34,500**	8,000	5,500	5,500	5,500	10,000
Appliance Resuscitation Equipment & Cylinders	**22,500**	22,500				
	57,000	**30,500**	**5,500**	**5,500**	**5,500**	**10,000**
OPS009 POD Equipment						
Demountable Unit Refurbishment	**145,700**	75,700	10,000		10,000	50,000
Gas Monitors	**29,300**	19,300				10,000
	175,000	**95,000**	**10,000**		**10,000**	**60,000**
OPS022 Improvements to Fleet						
Improvements to Fleet	**250,000**	50,000	50,000	50,000	50,000	50,000
PPV Fans	**49,500**	6,000	6,000	6,000	6,500	25,000
Smoke Blockers	**10,000**	2,000	2,000	2,000	2,000	2,000
	309,500	**58,000**	**58,000**	**58,000**	**58,500**	**77,000**
OPS024 BA Equipment/Communications						
BA Cylinder Replacement	**263,600**	5,600	258,000			
Telemetry sets	**374,500**		374,500			
BA Test Rig	**44,000**	4,000	40,000			
BA Set Batteries	**37,900**	5,400	32,500			
BA Compressors	**120,000**	20,000	40,000	20,000		40,000
BA Decontamination	**40,000**	40,000				
BA Analogue sets	**39,500**		39,500			
BA Boards	**39,500**		39,500			
BA Battery chargers	**16,000**		16,000			
BA Set Batteries	**32,500**		32,500			
Face masks	**39,000**		39,000			
	1,046,500	**75,000**	**911,500**	**20,000**		**40,000**
OPS036 Radiation/Gas Detection Equipment						
Radiation Detection Equipment	**53,000**	2,000	2,000	2,000	2,000	45,000
Single Gas Detection Equipment	**6,000**		2,000		2,000	2,000
	59,000	**2,000**	**4,000**	**2,000**	**4,000**	**47,000**
OPS049 Bulk Foam Equipment						
Bulk Foam Stock	**10,000**		5,000		5,000	
	10,000		**5,000**		**5,000**	
OPS059 Bulk Foam Equipment						
Fire Ground Communications	**5,500**					5,500
Fire Ground Radios	**27,000**	5,000	5,500	5,500	5,500	5,500
	32,500	**5,000**	**5,500**	**5,500**	**5,500**	**11,000**
OPS060 SRT Equipment						
SRT Ropes	**50,000**	10,000	10,000	10,000	10,000	10,000
SRT Equipment	**100,000**	20,000	20,000	20,000	20,000	20,000
SRT Water	**45,000**	10,000	5,000	5,000	5,000	20,000
	195,000	**40,000**	**35,000**	**35,000**	**35,000**	**50,000**
Other Operational Equipment						
OPS011 Thermal imaging cameras	**191,000**	175,000		5,000	5,500	5,500
OPS016 Gas Detection Equipment (MYRA DS)	**57,300**	45,300				12,000
OPS023 Water Rescue Equipment	**149,000**	71,000	15,500	16,000	16,500	30,000
OPS026 Rope Replacement	**88,000**	20,000	15,500	16,000	16,500	20,000
OPS027 Light Portable Pumps	**60,000**	30,000				30,000
OPS031 CCTV Equipment	**64,000**		5,000		5,000	54,000
OPS033 Marine Rescue Equipment	**66,000**	20,500	11,000	11,000	11,500	12,000
OPS034 Operational Ladders	**117,000**	57,000	15,000	15,000	15,000	15,000
OPS038 Water Delivery System	**35,000**	10,000	10,000	5,000	5,000	5,000
OPS039 Water Delivery Hoses	**116,000**	37,500	18,500	19,000	20,000	21,000
OPS054 Electrical Equipment	**129,000**	68,000	10,000	10,500	10,500	30,000
OPS058 Operational Drones	**42,500**	2,500	2,500	2,500	2,500	32,500
OPS061 Hi-Rise Kits	**12,000**	2,000	2,500	2,500	2,500	2,500
	1,126,800	**538,800**	**105,500**	**102,500**	**110,500**	**269,500**
Hydrants						
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**
	4,107,300	**977,800**	**1,546,000**	**462,000**	**390,500**	**731,000**

Vehicles Capital Programme 2023/2024 to 2027/2028

Type of Capital Expenditure	Price Per Unit	Total Units	Total Cost £	2023/24 Units	2023/24 £	2024/25 Units	2024/25 £	2025/26 Units	2025/26 £	2026/27 Units	2026/27 £	2027/28 Units	2027/28 £
VEH002 Ancillary Vehicles													
Cars													
Pool Cars - Possible Electric	18,000	**19**	**342,000**			19	342,000						
Officer Response Cars -	30,000	**7**	**210,000**	7	210,000								
Officer Response Cars -	30,000	**7**	**210,000**					7	210,000				
4X4s													
Isuzi	24,000	**1**	**24,000**			1	24,000						
Vans													
Master/Transit Panel 1	36,850	**1**	**36,850**			1	36,850						
Panel Van	38,000	**1**	**38,000**					1	38,000				
Panel Van - RTC reduction	45,000	**1**	**45,000**					1	45,000				
Courier van	40,000	**4**	**160,000**							4	160,000		
Water Rescue Van	50,000	**1**	**50,000**					1	50,000				
Operational Equipment Transit	40,000	**2**	**80,000**									2	80,000
Hydrant Van Transit	40,000	**2**	**80,000**									2	80,000
T&DA Transit Van	40,000	**2**	**80,000**									2	80,000
Mini Buses													
Fire Service - Blue Light	45,000	**1**	**45,000**					1	45,000				
Princes Trust - Disabled Access	44,000	**1**	**44,000**	1	44,000								
Princes Trust	36,900	**3**	**110,700**	3	110,700								
			1,555,550		**364,700**		**402,850**		**388,000**		**160,000**		**240,000**
VEH004 Special Vehicles													
Prime Movers/POD Long Term Capablity	188,050	**2**	**376,100**	2	376,100								
Prime Movers	210,000	**2**	**420,000**									2	420,000
ICU	650,000	**1**	**650,000**	1	650,000								
Wildfire Appliance 4x4	50,000	**2**	**100,000**	2	100,000								
Curtain Sided Truck (Driving School)	86,000	**1**	**86,000**	1	86,000								
Crane Lorry	200,000	**1**	**200,000**	1	200,000								
			1,832,100		**1,412,100**								**420,000**
VEH010 Marine Rescue Vessels													
RNLI Class 75 Rib Boats			**300,000**		300,000								
			300,000		**300,000**								
VEH001 Fire Appliances													
2024/25 Price	290,000	**3**	**870,000**			3	870,000						
2025/26 Price	296,000	**3**	**888,000**					3	888,000				
NEW Electric Fire Appliances	900,000	**1**	**900,000**					1	900,000				
2027/28 Price	320,000	**4**	**1,280,000**									4	1,280,000
			3,938,000				**870,000**		**1,788,000**				**1,280,000**
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						
Workshop Equip Somers vehicle Lift.	25,000	**1**	**25,000**									1	25,000
HGV Brake Tester	40,000	**1**	**40,000**									1	40,000
4 Post Vehicle Lift	20,000	**2**	**40,000**							2	40,000		
			153,000		**20,000**		**28,000**				**40,000**		**65,000**
			7,778,650		**2,096,800**		**1,300,850**		**2,176,000**		**200,000**		**2,005,000**

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2023/24 - 2027/28 MTFP	2023/24	2024/25	2025/26	2026/27	2027/28
FORECAST NET SPEND IN CURRENT MTFP	**64,201**	**66,750**	**68,190**	**69,666**	**69,666**
2023/24 MTFP Issues to build in future MTFP:-					
Impact of **2022/23 Pay Award**s above 2.5% assumption;					
Uniform 7%	1,706	1,706	1,706	1,706	1,706
Non-Uniform (£1,925)= 6.5% pay bill increase	465	465	465	465	465
Assume **5% Pay Awards in 23/24** (increase of 2.5%)					
Uniform 5%	729	972	972	972	972
Non-Uniform 5%	310	310	310	310	310
Reduction In Employers NI (1.25%)	-336	-336	-336	-336	-336
Reduction in Services Grant £1.388m to £0.814m	574	574	574	574	574
Impact of Higher Energy / Price inflation 22/23;					
Energy (22/23 increase - assumed increase reduction from 2026/27)	850	850	850	400	400
Contracts / Other	250	250	250	250	250
General Infation impact	232	232	232	232	232
2027/28 Inflation provision					1,600
MRP/Interest - inflationary impact on cost of capital goods	0	100	100	150	150
Loss of Firelink Grant over 2023/24 - 2025/26	110	161	216	270	270
Increase in Bus Rates Multiplier s31 compensation grant	-1,500	-1,500	-1,500	-1,500	-1,500
Provision for increasing Control and Operational establishment to improve resilience, training and response	334	334	334	334	334
Provision for review of Establishment to meet recruitment/retention challenges	300	300	300	300	300
Efficency Target (Procurement, Interest Payments, Inflation, other)	-380	-380	-380	-380	-380
Copyright Licensing Fee/ Agile Working / Ops ICT / POD ICT	77	57	57	57	57
Innovation Budget based on Firefighter Safety requirements	50	50	50	50	50
Reverse 2023/24 planned Collection Fund Reserve use	89				
Additional Bus Rates compensation funding	-140	-250	-250	-250	-250
	3,720	**3,895**	**3,950**	**3,604**	**5,204**
FORECAST NET SPEND IN PROPOSED MTFP	**67,921**	**70,645**	**72,140**	**73,270**	**74,870**
FORECAST FUNDING IN CURRENT MTFP					
Government Funding-Settlement Funding Assessment:					
Top Up Grant .	-16,428				
CLG Estimate of Local Business Rate Share	-4,462				
Baseline Funding Level	-20,890				
Baseline Funding- Assume 2024/25 increase by Sept CPI 024, (pay assumption) then 1% from 2025/26		-21,412	-21,626	-21,842	-22,060
Revenue Support Grant	-12,759				
RSG assume 24/25 by 2.5% (sept 24 CPI) then 1%		-13,078	-13,209	-13,341	-13,474
Assumed Government Funding-Settlement Funding Assessment	**-33,649**	**-34,490**	**-34,835**	**-35,183**	**-35,534**
Adjustment forecast Business Rates yield based on NNDR1					
Adjust for Local Business Rate income forecast from Districts	400	100	0	0	0
Collection Fund deficit	-197				
Adjustment to Local Business Rates income forecast	**203**	**100**	**0**	**0**	**0**
Council Tax -					
Base Precept Income	-31,689	-34,371	-35,572	-36,458	-37,365
Council Tax Base increase of 2.35% p.a. in 2023/24, then 0.5% p.a.	-743	-172	-178	-182	-187
Precept Increase of just £5 (=6%) in 23/24, then 3% in 24/25, then 2% p.a.	-1,939	-1,029	-708	-725	-744
Council Tax Collection Fund (surplus)/deficit	-104				
Forecast Council Tax Income	**-34,475**	**-35,572**	**-36,458**	**-37,365**	**-38,296**
TOTAL FUNDING	**-67,921**	**-69,962**	**-71,293**	**-72,548**	**-73,830**
Forecast (Surplus) / Deficit	**0**	**683**	**847**	**722**	**1,040**

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Committed Reserves

	Balance C/fwd From 2022/23	Re-align ment	Revised Balance C/fwd from 2022/23	Estimated 2023/24 Use	Estimated 2024/25 Use	Estimated 2025/26 Use	Estimated 2026/27 Use	Estimated 2027/28 Use	Estimated 2028/29 Use	Estimated 2029/30 Use	Estimated 2030/31 Use	Estimated 2031/32 Use	Estimated 2032/33 Use	Held to Cover Risk
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Emergency Related Reserves														
Bellwin / Emergency Planning	222		222											222
Insurance Reserve	499		499											499
Modernisation Challenge			0											
Smoothing Reserve	1,788	-788	1,000											1,000
Pensions Reserve	590		590		-375	-215								0
Recruitment Reserve	1,450	300	1,750		-300	-300	-300	-300	-300	-250				0
Invest to Save / Collaborations	282		282		-282									0
Collection Fund Reserve	1,114	-864	250											250
Capital Investment Reserve			0											
New TDA & Station	6,316		6,316	-6,316										0
Other	785	1,202	1,987	0	-1,890	-150	0							-53
PFI Annuity Reserve	1,373		1,373	-69	-75	-80	-90	-100	-110	-120	-130	-140	-150	309
Specific Projects														
Community Sponsorship	55		55		-55									0
Equipment Reserve	195		195		-195									0
Community Engagement	2		2		-2									0
Training Reserve	50	150	200		-200									0
Health and Wellbeing	0		0											0
Inflation Reserve	1,650		1,650											1,650
Clothing	90		90		-90									0
Ringfenced Reserves														
Community Risk Management	305		305		-155	-150								0
Energy Reserve	201		201	68										269
New Dimensions Reserve	39		39		-39									0
Forecast Use of Reserves	17,006	0	17,006	**-6,317**	**-3,658**	**-895**	**-390**	**-400**	**-410**	**-370**	**-130**	**-140**	**-150**	**4,146**
Earmarked Reserves Bal C/fwd	**17,006**	**0**	**17,006**	**10,689**	**7,031**	**6,136**	**5,746**	**5,346**	**4,936**	**4,566**	**4,436**	**4,296**	**4,146**	**4,199**
General Revenue Reserve	**3,000**	**0**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**
Total Reserves	**20,006**	**0**	**20,006**	**13,689**	**10,031**	**9,136**	**8,746**	**8,346**	**7,936**	**7,566**	**7,436**	**7,296**	**7,146**	**7,199**

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APPENDIX E

Merseyside Fire & Rescue Authority

Fees & Charges: 2023/24

TYPE OF INCOME		eFin Sales / Stock Product Code	Net Charge £	VAT £	Total Charge £
a)	Special services ('non-emergency' calls) per hour (or part hour) **#**	SC19 / SC403 SC404	421.00	84.20	**505.20**
b)	Environment & Safety Information Act 1988: Copies of entries from the register	SC17	48.00	*Non-VAT*	**48.00**
c)	Ex-directory lines (Automatic Fire Alarms)	OPS001	586.00	117.20	**703.20**
d)	Incident Investigation Team (full report) *	SC400	1,081.00	216.20	**1,297.20**
e)	Private hydrant testing:				
	- 1st Test	WAT001	117.00	23.40	**140.40**
	- Any subsequent test	WAT002	33.00	6.60	**39.60**
f)	Inspection of hydrant records	WAT004	177.00	35.40	**212.40**
g)	Hydrant flow and pressure readings	WAT003	56.00	11.20	**67.20**
h)	Standard incident reports (IRS) *	SC20	177.00	*Non-VAT*	**177.00**
i)	Special report or search of statistical records (per year, per location) *	SC23	177.00	*Non-VAT*	**177.00**
j)	The reproduction or copy of a document / report produced by MFRS (Protection)	SC18	177.00	*Non-VAT*	**177.00**
k)	Interviews (per hour, up to rank of Area Manager)	SC2	177.00	*Non-VAT*	**177.00**
l)	Photographs (per photograph) *	SC402	6.00	*Non-VAT*	**6.00**
m)	Video footage (per hour) *	SC401	177.00	*Non-VAT*	**177.00**
n)	Dry riser tests	SC29	209.00	41.80	**250.80**
o)	Reinforcing Moves (Section 13 & 16 Charges)	OPS003	292.00	*Non-VAT*	**292.00**
p)	Attendance at Football Grounds	OPS002	361.00	72.20	**433.20**
q)	Fire safety – alarms (General Public)				
	- Alarm 1	23139120	17.67	3.53	**21.20**
	- Alarm 2	23139120	24.17	4.83	**29.00**
	- Alarm 3	23139120	30.67	6.13	**36.80**
	- Alarm 4	23139120	37.17	7.43	**44.60**
	- Alarm 5	23139120	43.67	8.73	**52.40**

Note:
1. For convenience, the values are rounded up to the nearest whole £1.00 and VAT added to that figure where appropriate.
2. Ex-Directory Lines (i.e. Automatic Fire Alarms) have been increased in line with the Consumer Price Index (10.5%)
3. Reinforcing Moves are agreed locally at the NW Regional Board.
4. Fire Safety Alarms (General Public) are charged on a cost recovery basis only - charge reflects latest estimate

* Items marked with an asterisk are non-chargeable where the General Data Protection Regulation applies.

Examples include, but not limited to:
- o Lift Rescues;
- o Removal of debris from premises, highways etc.;
- o Provision or removal of water such as filling swimming pools or barriers, pumping out basements;
- o Removal of dangerous structures such as scaffolding, slates, chimney stacks, hoardings and aerials);
- o Effecting entry to premises i.e. lock ins, lock outs

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