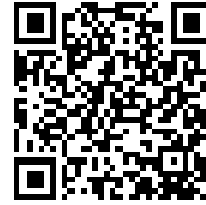


**To: All Members of the Policy and Resources Committee
(and any other Members who may wish to attend)**



The Protocol and Procedure for visitors attending meetings of Merseyside Fire and Rescue Authority can be found by clicking [here](#) or on the Authority's website: <http://www.merseyfire.gov.uk> - About Us > Fire Authority.

**J. Henshaw
LLB (Hons)
Clerk to the Authority**

Tel: 0151 296 4000
Extn: 4112 Helen Peek

Your ref:

Our ref HP/NP

Date: 19 November 2014

Dear Sir/Madam,

You are invited to attend a meeting of the **POLICY AND RESOURCES COMMITTEE** to be held at **1.00 pm** on **THURSDAY, 27TH NOVEMBER, 2014** in the Temporary Meeting Room at Merseyside Fire and Rescue Service Headquarters, Bridle Road, Bootle.

PLEASE NOTE: There will be a Learning Lunch for Members **who have not yet received Code of Conduct Training** prior to the meeting at 12.00pm

Yours faithfully,

Clerk to the Authority

Encl.

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MERSEYSIDE FIRE AND RESCUE AUTHORITY

POLICY AND RESOURCES COMMITTEE

27 NOVEMBER 2014

AGENDA

Members

Les Byrom (Chair)
Peter Brennan
Roy Gladden
Ted Grannell
Denise Roberts
Jean Stapleton
Sharon Sullivan
Lesley Rennie

1. Preliminary Matters

Members are requested to consider the identification of:

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

2. Minutes of the Previous Meeting (Pages 1 - 4)

The Minutes of the previous meeting of the Policy and Resources Committee, held on 23 September 2014, are submitted for approval as a correct record and for signature by the Chair.

3. Financial Review 2014/15 - April to September (Pages 5 - 38)

To consider Report CFO/113/14 of the Deputy Chief Executive, concerning a review of the financial position, revenue and capital, for the Authority for 2014/15.

4. **Treasury Management Interim Report 2014/15** (Pages 39 - 46)
To consider Report CFO/116/14 of the Deputy Chief Executive, concerning a review of the Authority's Treasury Management activities during the year, to ensure that they are consistent with its approved Treasury Management Strategy and have remained within the approved Prudential Indicators; and the Authority's Treasury Management performance for the period April to September 2014 for the financial year 2014/15.

5. **Voluntary Severance Grey Book** (Pages 47 - 52)
To consider Report CFO/121/14 of the Deputy Chief Fire Officer, concerning the potential use of voluntary severance agreements for firefighting staff, as a mechanism to achieve the required savings to meet the ongoing financial challenge faced by the Authority.

6. **Introduction of Apprenticeships** (Pages 53 - 62)
To consider Report CFO/112/14 of the Deputy Chief Fire Officer, concerning the introduction of workplace apprenticeships within the Service.

7. **Merseyside Police Estate Strategy** (Pages 63 - 92)
To consider Report CFO/115/14 of the Deputy Chief Executive, concerning the publication of the Police Estate Strategy.

8. **Toxteth Firefit Hub Annual Report and Accounts** (Pages 93 - 118)
To consider Report CFO/107/14 of the Deputy Chief Executive, concerning the Annual Report and Accounts for the period ending 31st March, 2014 for the Firefit Hub.

9. **Station Mergers Project - Appointment of Contractor** (Pages 119 - 136)
This Report contains EXEMPT information by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.
To consider Report CFO/111/14 of the Deputy Chief Executive, concerning the appointment of a contractor to build the new Community Fire Stations as part of the Station Mergers Project.

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

Refreshments

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

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MERSEYSIDE FIRE AND RESCUE AUTHORITY

POLICY AND RESOURCES COMMITTEE

23 SEPTEMBER 2014

MINUTES

Present: Cllr Leslie T. Byrom CBE (Chair) Councillors Robbie Ayres, Ted Grannell, Denise Roberts, Jean Stapleton, Dave Hanratty and Linda Maloney

Also Present:

Apologies of absence were received from: Councillors Peter Brennan, Sharon Sullivan, Tony Newman and Lesley Rennie

8. Chairs Announcements

Prior to the opening of Agenda Business The Chair:

- I. Advised the Committee that Members of the Public were present to record the proceeding of the meeting.
- II. Welcomed Robin Baker Engagement Lead, and Paul Basnett Audit Manager, from Grant Thornton who were present to deliver their findings in relation to Item 3 on the Agenda.

1. Preliminary Matters

Members considered the identification of declarations of interest, any urgent additional items, and any business that may 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 to be considered as matters of urgency were determined by the Chair; and
- c) Agenda item 7, PFI Project Report for the Period September 2013 – July 2014, contains EXEMPT information by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, therefore 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

The Minutes of the previous meeting of the Policy and Resources Committee, held on 1st April 2014, were approved as a correct record and signed accordingly by the Chair.

3. Audit Findings Report

Robin Baker Engagement Lead from Grant Thornton, External Audit, presented a summary of the Audit Findings in support of their report and gave an unqualified decision on the Authority having clear accounts on the basis that the Chair and the Deputy Chief Executive sign the letter of recommendation on behalf of the Authority today.

The Deputy Chief Executive informed Members that this was Robin Baker's final Audit and presentation in relation to Merseyside Fire and Rescue Authority, as he has reached the end of his five year set term.

Robin Baker thanked all officers who have been involved with the Audit Processes, over the five years he has been the appointed Auditor, for their professionalism and polite assistance throughout.

Resolved that:

- a) Members Note the Audit Findings Report of the Authority's External Auditors, Grant Thornton and;
- b) Robin Baker be thanked on behalf of the Authority, for his work over the last five years as external Auditor, and wished well for the future.

4. Statement of Accounts 2013/14 - Authorisation for Issue

(CFO/096/14)

Members considered report CFO/096/14, of the Deputy Chief Executive, regarding the audited Statement of Accounts for 2013/14.

Resolved that:

Members

- a) The audited Statement of Accounts 2013/14, attached as Appendix A to this report, be approved and
- b) The Statement of Accounts 2013/14 be authorised for issue, and
- c) The letter of representation in relation to the 2013/14 accounts, attached as Appendix B, be approved and signed by the Chair and Deputy Chief Executive, on behalf of the Authority.

5. Financial Review 2014/15 - April to June

(CFO/097/14)

Members considered report CFO/097/14, of the Deputy Chief Executive, regarding Financial Review 2014/15 for the period April to June, providing Members with the revenue and capital position, and full health check, of the Authority's finances for the first quarter of year 2014/15.

Members were advised that use of reserves would be maximised to try and avoid compulsory redundancies, and monies would be moved into capital investment reserves to avoid borrowing, and investments split amongst agencies to cover risk as much as possible.

Resolved that:

The contents of the report be noted.

6. The Openness in Local Government Regulations 2014

(CFO/087/14)

Members considered report CFO/087/14 of the Clerk to the Authority, concerning the Openness in Local Government Bodies Regulations 2014 which came into force on 4th August 2014, and of the impact of the Regulations for Merseyside Fire and Rescue Authority, in relation to public access to record proceedings of Authority meetings and the recording and publishing of any Delegated Decisions.

The committee were advised that a report will be submitted to a future Authority meeting to approve amendments to the Authority's Constitution following the impact of the Regulations.

Concerns were raised in relation to the Regulations provision for the public to record and publish proceedings of Local Authority meetings, and the possibility of misinterpretation of business discussed, being available in the public domain.

Members were advised that one of the Authority's Corporate Communications team are usually present during meetings of the Authority and would therefore be able to publish articles on behalf of the Authority should the need arise.

Resolved that:

- d) That the Openness in Local Government Bodies Regulations 2014, with effect from 4th August 2014, be noted, and
- e) The revised template for Reports to the Authority be noted.

7. **PFI Project - Progress report for the period September 2013 - July 2014**
(CFO/098/14)

Members considered report CFO/098/14 of the Deputy Chief Executive regarding a review of progress on the North West Fire & Rescue Services Private Finance Initiative (PFI) Project over the period from September 2013 – July 2014.

Resolved that:

That the progress on the North West Fire & Rescue Services PFI Project, and the start of the contract management phase, be noted.

Close

Date of next meeting Thursday, 27 November 2014

Signed: _____

Date: _____

MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	POLICY AND RESOURCES COMMITTEE		
DATE:	27 NOVEMBER 2014	REPORT NO:	CFO/113/14
PRESENTING OFFICER	DEPUTY CHIEF EXECUTIVE		
RESPONSIBLE OFFICER:	KIERAN TIMMINS	REPORT AUTHOR:	IAN CUMMINS
OFFICERS CONSULTED:			
TITLE OF REPORT:	FINANCIAL REVIEW 2014/15 - APRIL TO SEPTEMBER		

APPENDICES:	APPENDIX A1:	REVENUE BUDGET MOVEMENTS SUMMARY
	APPENDIX A2:	BUDGET MOVEMENTS ON RESERVES
	APPENDIX A3:	FIRE SERVICE REVENUE BUDGET MOVEMENTS SUMMARY
	APPENDIX A4:	CORPORATE SERVICE REVENUE BUDGET MOVEMENTS SUMMARY
	APPENDIX B:	CAPITAL PROGRAMME 2014/15
	APPENDIX C:	APPROVED AUTHORITY CAPITAL PROGRAMME 2014/15 – 2018/19
	APPENDIX D:	TRANSFORMATION FUND LETTER
	APPENDIX E:	DEBTOR WRITE-OFFS

Purpose of Report

1. To review the financial position, revenue and capital, for the Authority for 2014/15. The Authority receives regular comprehensive financial reviews during the year which provide a full health check on the Authority's finances. This report covers the first 6 months of the year (April – September 2014).

Recommendation

2. That Members;
 - Note the potential £1.6m favourable revenue position identified within this report,
 - Approve the utilisation of the £1.6m favourable revenue position to increase the capital investment reserve in light of the future station merger programme and Service investment needs, and
 - Note the successful bid to the transformation and efficiency fund which has received £4.5m
 - Instruct the Deputy Chief Executive to continue to work with budget managers to maximise savings in 2014/15.

Executive Summary

Revenue:

The Authority has a detailed medium-term financial plan. The key elements of this are :-

- To control Council Tax
- Continue with its modernisation programme and deliver the Authority's mission of achieving Safer Stronger Communities – Safe Effective Firefighters
- To deliver the required savings through efficiencies of which most are employee related whilst minimising the impact of the cuts.

The Authority is on target to deliver the approved 2014/15 budget savings and is progressing well with the required structural changes in its workforce to maintain the required savings on a permanent basis. The Authority has a strategy of maximising savings and delivering its savings plan as early as possible in order to increase reserves as a hedge against the future financial challenges. Overall this report has identified that in cash terms the Authority is £1.6m ahead of its saving plan target. Members are asked to approve utilising this saving to fund an increase in the capital investment reserve in order to provide funding towards the future station merger initiative. The Deputy Chief Executive is continuing to work with budget holders to maximise savings in 2014/15.

The total budget requirement remains at the original budget level of £64.356m, (appendix A1 – A4 outlines in detail all the revenue budget and reserve movements).

Capital:

The capital programme planned spend has increased by £3.764m, of which £3.100m relates to the new Prescot Fire Station scheme (CFO/095/14). The remaining £0.664m increase relates to approved amendments in current schemes. The £3.764m increase is fully funded by specific grant or other non-borrowing funding. The revised Capital Programme is outlined in Appendix B and C.

Reserves & Balances:

The general balance remains unchanged at £2.000m. All movements in earmarked reserves are outlined in Appendix A2.

Treasury Management:

Short-term interest rates have remained at 0.50% as expected. No new long term borrowing has been arranged and the Authority has continued its policy of reducing investments and only taking short term borrowing to cover cash flow requirements.

Financial Processes:

Performance in Financial processes remains strong.

Introduction and Background

3. The purpose of this report is to enable the Authority to monitor its income and expenditure levels against its budget on a regular basis throughout the year to ensure effective financial management.
4. This report is the review of the Authority's position up to the end of the September of the financial year 2014/15 (April – September 2014).
5. In order to ensure that the financial reviews provide a regular and effective financial health check on all aspects of the Authority's finances the following structure has been adopted.

<u>Financial Review Structure</u>	
<u>Section</u>	<u>Content</u>
A	Final Position 2013/14
B	Current Financial Year Review (Revenue Budget, Capital Programme and movement on Reserves)
C	Treasury Management Review
D	Internal Audit
E	Financial Process Monitoring/Performance Indicators

(A) 2013/2014 Position/Final Accounts

6. Members received a report on the 2013/14 final accounts position at the Authority meeting on 24th July 2014 (report CFO/079/14). The accounts reported that the Authority was ahead of its savings target so was able to add to reserves in line with its strategy. Overall there was an increase in earmarked reserves of £2.307m (of this £0.955m related to phasing of grant funded and specific projects into 2014/15).
7. Grant Thornton have now completed the audit of the accounts and confirmed the position as reported.

(B) Current Financial Year – 2014/15

8. The purpose of the financial review report is to provide Members with an assurance that the approved budget remains robust and that the current forecast of expenditure can be contained within the available resources. If actual expenditure or income for the year is inconsistent with the current budget then the report will, if necessary, identify the appropriate corrective action.

Revenue Position:

9. **Budget Movements:** The attached Appendix A to this report summarises the movements in the revenue budget. The net budget requirement remains at £64.356m which is consistent with the original budget.
10. There have been a number of budget adjustments with no net impact because they are either self-balancing virements within department budgets or budget increases financed by reserves in line with previously agreed Authority decisions. The firefighters pay award was agreed at 1% and £0.265m was drawn down from the inflation provision to reflect that outcome. The net use of reserves for the period was £0.863m, of which £0.522m was the allocation from the reserves to fund expenditure on capital schemes approved by the Authority including:-
- JCC SHQ work £0.340m
 - JCC control £0.029m
 - Fleet Management System £0.078m
 - Energy Conservation Salix Schemes £0.075m
11. **Update on Budget Savings Implementation:** The Authority has approved savings in total of £25.577m as part of the medium term financial plans. These will take until 2016/17 to deliver in full because operational savings are being achieved by natural retirement rates. Of this total £20.410m was expected to have been implemented by the end of 2014/15. This has mostly been achieved with only £0.303m yet to be formally implemented. Plans are well advanced to deliver these savings and in cash terms the total value of savings will be delivered in the year. The outstanding £0.303m savings options are;
- Phase 1 & 2 (2011/12 & 2013/14 Budget Saving Options);
- Estates Savings target £0.075m; the original target was £0.250m and £0.100m has been delivered by reconfiguring the cleaning service and £0.075m as a result of a reduction in management costs. Outsourcing of the facilities management (FM) will deliver the remainder of this saving. The FM outsourcing has been deferred for a number of reasons but it is expected to be concluded during 2014/15.
 - Review of ICT Expenditure £0.150m; The Authority set a target saving on ICT expenditure of £0.200m in 2013/14 rising to £0.350m in future years. The £0.150m reflects the required increased saving target as £0.200m of permanent savings were implemented in 2013/14. Officers are currently in negotiations with our external ICT contractors (most ICT is outsourced) on proposals to achieve the additional £0.150m.
 - Restructure of the Training and Development Academy (TDA) £0.030m; of the original £0.062m saving target £0.030m remains to be formally actioned. Officers are finalising a restructure that will deliver the remaining saving by the end of the year.
 - Search and Rescue Team (SRT) contracts review £0.048m; revised staff
-

contracts will deliver reduced operating costs for the SRT while maintaining the current service standards.

Table A below summarises the progress in implementing the approved saving options at the time of writing this report:

Progress in Implementing Approved Saving Options					
	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000
A) Phase 1 & 2 (2011/12 & 2013/14 Budgets) Approved Savings:					
Options formally implemented into budget	-18,957	-18,899	-18,974	-18,974	-18,974
Approved Saving Options yet to be formally implemented:					
Phase 1					
Outsource Estates function	-75	-75	-75	-75	-75
Phase 2					
Review of ICT spend (<i>part 2 increase in saving £200k to £350k</i>)	-150	-150	-150	-150	-150
TDA Restructure	-30	-30	-30	-30	-30
SRT amended contracts	-48	-48	-48	-48	-48
Value of Saving Options yet to be formally implemented	-303	-303	-303	-303	-303
Total	-19,260	-19,202	-19,277	-19,277	-19,277
B) 2014/15 Budget Approved Savings:					
Options formally implemented into budget	-1,150	-1,878	-2,120	-2,000	-2,000
Approved Saving Options yet to be formally implemented:					
Non Employee Budget review	0	0	0	0	0
10% saving on Non Uniform Establishment	0	-450	-900	-900	-900
Operational Response	0	-350	-3,000	-3,400	-3,400
Value of Saving Options yet to be formally implemented	0	-800	-3,900	-4,300	-4,300
Total	-1,150	-2,678	-6,020	-6,300	-6,300
Total Value of Approved Savings Options (A + B)	-20,410	-21,880	-25,297	-25,577	-25,577
Total of Approved Savings yet to be formally implemented	-303	-1,103	-4,203	-4,603	-4,603

Actual staff numbers are continually monitored to ensure the Service continues to deliver in "cash" terms the required saving target.

12. **Actual Expenditure in comparison to Revenue Budget:** The Authority is expecting further grant cuts in 2015/16 and future years and therefore as part of its strategy it has directed officers to maximise savings in the year to contribute towards the building up reserves. Such reserves can then be used as part of an implementation and risk management strategy to deliver savings.

Employee Costs;

Employee costs make-up approximately 80% of the Authority's revenue budget and is the most risk critical area of the financial plan therefore these costs are monitored extremely closely.

Firefighter retirements have continued in line with the forecast profile adopted for the financial strategy. As a consequence of the current national firefighter dispute the take-up of additional voluntary hours has reduced significantly. After taking account of other small savings on the uniform employee budget the expected overall saving on firefighter employee costs is £0.400m.

Staff turnover within some support staff posts has resulted in short term vacancies and this combined with post-holders not being at the top of the their budgeted grade is expected to deliver savings over and above the approved target of delivering £0.200m from effective vacancy management by £0.105m.

Other Non-Employee Revenue Costs;

Merseyside Pension Fund has revised the charge for the Authority's local government pension deficit payment to £2.538m from the £2.818m estimate provided during the 2014/15 budget preparation. This £0.280m reduction will result in a favourable variance in 2014/15.

Firefighters Pensions

Members will be well aware that the Government is introducing changes to the firefighter pension schemes on 1st April 2015. A valuation has been undertaken to assess the future employer rates of contributions to the various pension schemes and more information is expected to be released about this as part of the Chancellors Autumn statement on 3rd December. This may have a significant impact on the overall paybill from 2015/16.

Contingency for 2014/15 Pay & Price Increases;

Members will recall that the budget made a 1% provision for pay bill increases in 2014/15. The pay award for firefighting staff has been settled at the 1% assumed but no agreement has been reached yet for other staff (although a two year offer that equates to 1.1%p.a. is currently being considered by the unions). Officers are continuing to control the allocation of the non-employee inflation provision to determine if any efficiencies can be identified in light of the coming financial challenge. No variance on the inflation provision has been assumed at this stage but officers are hopeful a saving will materialise.

Other Non-Employee Revenue Costs;

The Deputy Chief Executive is continuing to work with budget holders to maximise savings in 2014/15. Additional one-off savings have been identified as outlined below;

- Supplies and services – the Authority set a non-employee saving target of £0.150m in 2014/15 rising to £0.275m in future years. Officers have managed to deliver the full saving target this year. In addition one-off savings on phones; uniforms; professional services and a number of other variations has resulted in a forecast additional saving of £0.465m.
- The Authority funds most of its capital expenditure through borrowing and the resulting debt repayments, (Minimum Revenue Provision, MRP), and interest costs are charged to the revenue account. The

current treasury management policies (which seek to delay borrowing by minimising investments) combined with the impact of 2013/14 re-phasing of capital schemes into future years has resulted in a saving on MRP and interest payments of £0.625m.

- Interest on Balances - As members may be aware current interest rates on investments is extremely low, often less than 0.5%. Therefore there is likely to be a shortfall in investment income of approximately £0.275m.

The Deputy Chief Executive is continuing to work with budget holders to maximise savings in 2014/15 and will continue to monitor actual staff numbers during the year to ensure the Service continues to deliver in “cash” terms the required saving target.

Summary of Revenue Forecast Position: The Authority has made good progress in implementing the approved budget saving options and required organisational structure changes.

A small number of budget options remain to be fully completed in budgetary terms, however due to Firefighter retirements and other green book savings the Service continues to deliver in “cash” terms the required saving target.

Overall the latest forecast has identified a revenue saving of £1.600m. The Deputy Chief Executive is continuing to work with budget holders to maximise savings in 2014/15. Table B below summarise the revenue year-end forecast position based on spend to the end of September 2014:

Table B: Anticipated Year-End Revenue Position

	FIRE SERVICE BUDGET	CORP MGT BUDGET	TOTAL BUDGET	ACTUAL as at 30.09.14	FORE- CAST	VARI- ANCE
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure						
Employee Costs	51,647	393	52,040	25,474	51,255	-785
Premises Costs	3,031	0	3,031	1,180	3,031	0
Transport Costs	1,542	0	1,542	898	1,542	0
Supplies and Services	4,450	66	4,516	1,314	4,051	-465
Agency Services	4,947	0	4,947	2,817	4,947	0
Central Support Services	382	100	482	193	482	0
Capital Financing	8,218	0	8,218	0	7,593	-625
Income	-6,422	0	-6,422	-2,458	-6,422	0
Net Expenditure	67,795	559	68,354	29,418	66,479	-1,875
Contingency Pay&Prices	549		549	0	549	0
Cost of Services	68,344	559	68,903	29,418	67,028	-1,875
Interest on Balances	-372		-372	-27	-97	275
Movement on Reserves	-4,175		-4,175	0	-4,175	0
Total Operating Cost	63,797	559	64,356	29,391	62,756	-1,600

Capital Programme Position:

- The last financial review report (CFO/010/14) approved a 5 year capital programme worth £33.347m. This has now been updated for scheme additions and changes during quarter 2 of £3.764m which are summarised in the table below:

Movement in the 5 Year Capital Programme						
	Total Cost	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure						
2015/16 re-phasings	0.0	-3,060.0	3,060.0			
Amendments to Approved Schemes;						
Prescot FS New Build (CFO/095/14)	3,100.0	0.0	3,100.0			
JCC Build (CFO/109/14)	421.0	421.0	0.0			
JCC Build	1.0	1.0				
Energy Conservation Salix Schemes	75.0	75.0				
Fleet Management System	87.5	87.5				
Time & Resource Mgt ICT System	50.0	50.0				
JCC Scheme - ICT works	29.0	29.0				
	3,763.5	-2,396.5	6,160.0	0.0	0.0	0.0
Funding						
Borrowing:						
Re-phasing of approved schemes into future yrs	0.0	-3,060.0	3,560.0	-500.0	0.0	0.0
Capital Reserve	1,277.0	447.0	830.0			
Energy Reserve	75.0	75.0				
Capital spend funded from the Revenue Budget	60.5	60.5				
Grants:						
CLG Grant - Prescot FS	1,770.0		1,770.0			
Capital Receipts						
Huyton FS	250.0			250.0		
Whiston FS	250.0			250.0		
External Contributions						
M'side Police (JCC)	81.0	81.0				
	3,763.5	-2,396.5	6,160.0	0.0	0.0	0.0

14. Although the level of planned expenditure has increased the level of required borrowing has remained unchanged as the increase is funded by specific resources. The increase in the programme can be explained by:

- Members approved the merger of Huyton and Whiston fire stations at Prescot and (CFO/095/14) and this has been added to the programme. The estimated cost of £3.100m is funded by a Government grant of £1.770m with the balance coming from capital receipts and reserves.
- A number of station refurbishments have been deferred pending the outcome of the station merger consultation and as a consequence £3.060m has been re-phased into 2015/16 and consolidated within the station refurbishment provision.
- The Authority recently considered the update report on the JCC project (CFO/109/14) and approved the allocation of a previously set aside contingency of £0.421m in relation to the Stage C works and other unavoidable costs. The cost of these works is to be funded from the capital reserve and external (police) contributions. In addition a small increase in the JCC control ICT costs, £0.030m, has been built into the ICT budget and is being funded from the capital investment reserve.

-
- Increase in Energy Conservation Salix provision, £0.075m. The Authority received pump-prime grant funding to contribute towards the cost of energy saving schemes. This money is constantly re-cycled into new schemes from the revenue savings it delivers. The £0.075m reflects the “new” monies available to contribute to energy saving schemes in 2014/15.
 - The Authority approved the setting aside of £0.100m in the capital investment reserve to fund a new fleet management system. Following on from a tendering exercise a contract has now been awarded for £0.088m and the scheme has been built into the capital programme.
 - The Authority has approved the purchase of a new time and resource management (TRM) application (CFO/132/13). The implementation of the system is in the final stages and in order to gain the full potential from the new system £0.050m of additional development work has been commissioned. This work will allow the Service to dynamically manage its staffing resources effectively and efficiently making optimum use of the functionality available from the TRM application and the new integrated HR\Payroll solution. The £0.050m has been funded from one-off savings on the TRM revenue budget.
15. The revised detailed capital programme is attached as **Appendix B** (2014/15 Capital Programme) and **Appendix C** (2014/15–2018/19 Capital Programme) to this report.
16. The Authority has received confirmation that its bid for capital grant from the Transformation Fund of £4.500m to assist with the proposed station merger initiative has been successful and it has been allocated £4.469m. This award will be taken into account when members receive future reports on the specific station merger schemes and the estimated costs and funding of the various schemes. The letter and grant allocation has been attached to this report as **Appendix D**.

Use of Reserves:

17. The analysis in Appendix A2 outlines the £0.863m movement on reserves during the second quarter of 2014/15, of which £0.612m relates to the planned use of the capital investment reserve to fund;
- capital schemes, £0.447m (see previous capital table), and
 - the cost of parallel running of the current and new HR/TRM systems in 2014/15 as part of the planned transfer strategy, £0.165m.
- The general revenue reserve has remained unchanged at £2.000m.
18. It is recommended that the £1.600m revenue saving identified in this report is allocated to increase the capital investment reserve. The capital investment reserve will provide a funding stream to support the proposed future station merger programme and to support the Authority strategy of aiming to minimise borrowing costs.
-

(C) Treasury Management

19. The Authority continues to “buy in” Treasury Management from Liverpool City Council. The following paragraphs reflect Treasury Management activities in the period April to September 2014/15.

20. **Prospects For Interest Rates;**

Growth rebounded during 2013 and the first quarter of 2014 to surpass expectations, propelled by recovery in consumer spending and the housing market. Growth prospects remain strong for the rest of 2014 and unemployment is expected to fall.

The Monetary Policy Committee (MPC) was forecast to hold bank rate at 0.5% throughout 2014 but with the possibility of an increase in early 2015 should the recovery prove stronger than expected. However, the sharp fall in UK inflation and further weakening in the Euro zone indicates that any move will be delayed until later in 2015. Base rate is expected to remain at 0.5% for the rest of the financial year 2014/15.

It was expected that there would be upward pressure on longer term rates due to a high volume of debt issuance and improved prospects of a return to economic growth. However, this has been offset by a continued demand for safe haven instruments whilst there is political unrest in various places around the world. Long term PWLB rates have fallen by 0.4% during the first half of the year but are expected to recover slightly later in the year.

The strategy indicated that the overall structure of interest rates whereby short term rates are lower than long term rates was expected to remain throughout 2014/15. In this scenario, the strategy would be to reduce investments and borrow for short periods and possibly at variable rates when required.

21. **Capital Borrowings and the Portfolio Strategy;**

The borrowing requirement comprises the expected movements in the Capital Financing Requirement and reserves plus any maturing debt which will need to be re-financed. The Authority does not envisage that any new long term borrowing will be required in 2014/15. Current market conditions continue to be unfavourable for any debt rescheduling.

22. **Annual Investment Strategy;**

The investment strategy for 2014/15 set out the priorities as the security of capital and liquidity of investments. Investments are made in accordance with DCLG Guidance and CIPFA Code of Practice. Investments are made in sterling with an institution on the counterparty list.

The credit ratings and individual limits for each institution within the categories of investments to be used by the Authority in 2014/15 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

UK Banks and Building Societies (A- or higher rated)	£2m
Foreign banks registered in the UK (A or higher rated)	£2m

Extreme caution has been taken in placing investments to ensure security of funds rather than rate of return. The use of deposit accounts with high rated or nationalised banks and AAA rated money market funds has enabled reasonable returns in a low interest rate environment. In the period 1st April to 30th September 2014 the average rate of return achieved on average principal available was 0.69%. This compares with an average seven day deposit (7 day libid) rate of 0.35%.

The Authority had investments of £29.1m as at 27th September 2014:

ANALYSIS OF INVESTMENTS END OF SEPTEMBER 2014				
Institution	Credit Rating	MM Fund*	Bank / Other	Building Society
		£	£	£
Deutsche/DGLS/State Street	AAA	1,100,000		
Ignis Liquidity Fund	AAA	3,000,000		
Goldman Sachs	AAA	3,000,000		
Morgan Stanley	AAA	3,000,000		
Prime Rate	AAA	3,000,000		
Natwest Instant Access	A		4,000,000	
Nationwide BS	A			2,000,000
Skipton Building Society	Unrated			1,000,000
Newcastle Building Society	Unrated			1,000,000
Nottingham Building Soc	Unrated			1,000,000
HBOS 12 Month FTD	A		4,000,000	
Close Brothers	A		2,000,000	
West Brom B Soc	Unrated			1,000,000
Totals		13,100,000	10,000,000	6,000,000
Total Current Investments				29,100,000
<i>*MM Fund - Money Market Funds -these are funds that spread the risk associated with investments over a wide range of credit worthy institutions.</i>				

23. External Debt Prudential Indicators;

The external debt indicators of prudence for 2014/15 required by the Prudential Code were set in the strategy as follows:

Authorised limit for external debt:	£80 million
Operational boundary for external debt:	£44 million

Against these limits, the maximum amount of debt reached at any time in the first half of the financial year 2014/15 was £43.6 million.

24. Treasury Management Prudential Indicators;

The treasury management indicators of prudence for 2014/15 required by the Prudential Code were set in the strategy as follows:

a) Interest Rate Exposures

Upper limit on fixed interest rate exposures: 100%
Upper limit on variable interest rate exposures: 50%

The maximum that was reached in the first half of the financial year 2014/15 was as follows:

Upper limit on fixed interest rate exposures: 100%
Upper limit on variable interest rate exposures: 0%

b) Maturity Structure of Borrowing

Upper and lower limits for the maturity structure of borrowing were set and the maximum and minimum that was reached for each limit in the first half of the financial year 2014/15 was as follows: -

Maturity Period	Upper Limit	Lower Limit	Maximum	Minimum
Under 12 months	80%	0%	3%	2%
12 months and within 24 months	50%	0%	5%	2%
24 months and within 5 years	50%	0%	8%	6%
5 years and within 10 years	50%	0%	9%	8%
10 years and above	85%	0%	78%	77%

c) Total principal sums invested for periods longer than 364 days

The limit for investments of longer than 364 days was set at £2 million for 2014/15. No such investments have been placed during 2014/15.

(D) Internal Audit

25. The Authority continues to “buy in” Internal Audit services from Liverpool City Council. Most audit work is carried out in the second part of the year to fit in with service work demands and provide relevant data for the year-end audit. Since the last financial review report one audit has been completed relating to procurement. Although the audit found the control and compliance processes were adequate the report made a number of recommendations all of which have been accepted and implemented by officers. This audit report will be presented to the next Audit Sub-Committee along with any other completed audit reports for member’s consideration.

(E) Monitoring of Financial Processes

26. To ensure the internal financial processes of the Authority are operating effectively, a suite of performance indicators have been developed that now feed into the financial review. At present these indicators include:

- Payment of invoices,
- Raising Invoices, and
- Debtors

Prompt payment of invoices

27. In July 2009 the Authority joined the Prompt Payment Code (PPC). The PPC gives notice to suppliers of the Authority's commitment to pay promptly. In the current economic climate the Government is keen for all businesses and local authorities to pay suppliers promptly. Information about the prompt payment of undisputed invoices, paid within 30 days of receipt invoices are reported monthly (LPI128)
28. The performance for this financial year is as follows:

	<u>1stqtr</u>	<u>2ndqtr</u>	<u>3rdqtr</u>	<u>4thqtr</u>
Invoices paid within 30 days of receipt	100%	100%		
Number of Invoices processed	2,323	2,421		

29. The target for prompt payment in 2014/15 is 100%. The second quarter's results confirm the Service continues to respond quickly and efficiently to requests for payment from suppliers.

Processing Sales Invoices

30. A key performance indicator in relation to the processing of income generation is the time it takes to generate a sales invoice. The current target is 100% within 2 working days from the request to raise an invoice. The performance for this financial year is as follows:

	<u>1stqtr</u>	<u>2ndqtr</u>	<u>3rdqtr</u>	<u>4thqtr</u>
Sales Invoice production	100%	100%		
Number of Sales Invoices raised	250	211		

Debt Recovery

31. A key performance indicator in assessing the service's effectiveness in collecting income due is to review the change in the age and value of debt over a period of time. A comparison of the number and value of aged debts over for the second quarter can be summarised as follows:

Number of debts 60 days+

	2012/13	2013/14	2014/15
	£'000	£'000	£'000
July	47	41	33
Aug	46	37	31
Sept	41	42	46

Value of debts 60 days+

	2012/13	2013/14	2014/15
	£'000	£'000	£'000
July	42	48	76
Aug	69	22	54
Sept	68	70	113

-
32. The Service raises approximately 1,100 sales invoices per year and this can equate to income of between £2m - £3.5m. The profile of accounts raised varies month by month and from year to year. It therefore can lead to significant variations when comparing the same month over a period of time. Considerable effort is made to actively engage with customers as part of the drive to improve the aged debt profile of the Authority.
33. Debtor accounts under £5,000 may be written off by Deputy Chief Executive. One account has been approved for write-off under delegated powers for £340.00 (excl. VAT) following advice from the litigation service.
-

Equality and Diversity Implications

34. There are no equality and diversity implications contained within this report.

Staff Implications

35. None directly related to this report.

Legal Implications

36. None directly related to this report.

Financial Implications & Value for Money

37. See Executive Summary.

Risk Management, Health & Safety, and Environmental Implications

38. None directly related to this report.

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

39. The achievement of actual expenditure within the approved financial plan and delivery of the expected service outcomes is essential if the Service is to achieve the Authority's Mission.

BACKGROUND PAPERS

- CFO/011/14** "MFRA Budget and Financial Plan 2014/2015-2018/2019" Authority 27th February 2014.
- CFO/097/14** "Financial Review 2014/15- April to June" Policy and Resources Committee 2nd September 2014.

GLOSSARY OF TERMS

JCC	Joint Control Centre
SHQ	Service Headquarters
FM	Facilities Management
ICT	Information and communications technology
SRT	Search and Rescue Team
MPC	Monetary Policy Committee
CPI	Consumer Price Index
PWLB	Public Works Loans Board
PPC	Prompt payment code

2014/15 REVENUE BUDGET MOVEMENT SUMMARY

Actual 2013/14	SERVICE REQUIREMENTS	Base Budget 2014/15	Qtr 1 Budget 2014/15	Reserve Draw- down	Vire- ments	Qtr 2 Budget 2014/15
£'000		£'000		£'000	£'000	£'000
66,051	Fire Service	66,938	67,541	863	63	68,467
523	Corporate Management	591	589	0	-30	559
0	2012 - 13 B/fwd Dynamic Staff Saving	-154	-154	0	79	-75
0	2013 - 14 New Dynamic Staff Saving	-260	-260	0	32	-228
0	2014 - 15 New Dynamic Staff Saving	-150	-150	0	150	0
66,574		66,965	67,566	863	294	68,723
0	Contingency for Pay/Price Changes	843	843	0	-294	549
66,574	TOTAL SERVICE EXPENDITURE	67,808	68,409	863	0	69,272
-86	Interest on Balances	-372	-372	0	0	-372
66,488	NET OPERATING EXPENDITURE	67,436	68,037	863	0	68,900
	<u>Contribution to /(from) reserves</u>					
	<u>Spate / Other Emergency Related Reserves</u>					
-250	Insurance Reserve	0	0	0	0	0
0	Catastrophe Reserve	0	-500	0	0	-500
	<u>Specific Projects</u>					
1,250	Smoothing Reserve	-2,396	-5,055	0	0	-5,055
-181	Severance Reserve	0	0	-15	0	-15
309	Ill Health Penalty Reserve	0	0	0	0	0
100	SMG Reserve	0	-100	0	0	-100
-1,559	Capital Investment Reserve	-539	5,131	-612	0	4,519
241	PFI Annuity Reserve	-19	-26	0	0	-26
0	Equality / DDA Investment Reserve	0	-225	0	0	-225
0	Firefighter Safety Investment Reserve	-200	-200	0	0	-200
0	Facing the Future Challenge Reserve	0	-800	0	0	-800
-100	Community Sponsorship Reserve	0	0	-7	0	-7
135	Equipment Reserve	0	0	-80	0	-80
-47	FSD Reserve	0	0	0	0	0
-33	Healthy Living / Olympic Legacy	0	0	-45	0	-45
-4	Water Rescue Reserve	0	-4	0	0	-4
0	Inflation Reserve	0	-1,000	0	0	-1,000
	<u>Ringfenced Reserves</u>					
6	F.R.E.E. Reserve	0	0	-3	0	-3
199	Princes Trust Reserve	0	-64	0	0	-64
4	Community Youth Team Reserve	0	0	-5	0	-5
-3	Beacon Peer Project Reserve	0	0	-12	0	-12
1	Innovation Fund Reserve	0	0	0	0	0
0	Regional Control Reserve	0	-18	0	0	-18
85	Energy Reseve	74	74	-75	0	-1
-7	St Helens District Reserve	0	0	-9	0	-9
87	New Dimensions Reserve	0	0	0	0	0
233		-3,080	-2,787	-863	0	-3,650
0	Appropriation to / From General Fund	0	-894	0	0	-894
66,721	BUDGET REQUIREMENT	64,356	64,356	0	0	64,356
-39,963	Government Funding / NNDR Top Up	-36,545	-36,545	0	0	-36,545
-55	Local NNDR Forecast	-3,974	-3,974	0	0	-3,974
0	Collection Fund Deficit	-407	-407	0	0	-407
-26,703	Precept Income	-23,430	-23,430	0	0	-23,430
-66,721		-64,356	-64,356	0	0	-64,356

Budgeted Movement on Reserves 2014/15

	Opening Balance	Original Budget Planned Use	Qtr 1 Drawdown & changes	Qtr 2 Drawdown	Closing Balance
	£'000	£'000	£'000	£'000	£'000
<u>Earmarked Reserves</u>					
Bellwin Reserve	147	0			147
Insurance Reserve	370	0			370
Emergency planning Reserve	75	0			75
Catastrophe Reserve	1,000	0	-500		500
<u>Specific Projects</u>					
Smoothing Reserve	6,750	-2,396	-2,659		1,695
Severance Reserve	721	0		-15	706
Ill Health Penalty Reserve	908	0			908
Recruitment Reserve	1,000	0			1,000
SMG Reserve	100	0	-100		0
Capital Investment Reserve	4,277	-539	5,670	-612	8,796
PFI Annuity Reserve	2,251	-19	-7		2,225
Equality / DDA Investment Reserve	510	0	-225		285
Firefighter Safety Investment Reserve	1,000	-200			800
Facing the Future Challenge Reserve	800	0	-800		0
Community Sponsorship Reserve	13	0		-7	6
Equipment Reserve	191	0		-80	111
Contestable Research Fund Reseve	25	0			25
FSD Reserve	6	0			6
Healthy Living / Olympic Legacy	80	0		-45	35
Water Rescue Reserve	5	0	-4		1
Inflation Reserve	1,500	0	-1,000		500
<u>Ringfenced Reserves</u>					
F.R.E.E. Reserve	44	0		-3	41
Princes Trust Reserve	343	0	-64		279
Community Youth Team Reserve	58	0		-5	53
Beacon Peer Project Reserve	62	0		-12	50
Innovation Fund Reserve	170	0			170
Regional Control Reserve	18	0	-18		0
Energy Reseve	85	74		-75	84
St Helens District Reserve	15	0		-9	6
New Dimensions Reserve	793	0			793
Total Earmarked Reserves	23,317	-3,080	293	-863	19,667
General revenue Reserve	2,894	-894	0	0	2,000
Total Reserves	26,211	-3,974	293	-863	21,667

2014/15 FIRE SERVICE REVENUE BUDGET MOVEMENT SUMMARY

Actual 2013/14	SERVICE REQUIREMENTS	Base Budget 2014/15	Qtr 1 Budget 2014/15	Reserve Draw- down	Vire- ments	Qtr 2 Budget 2014/15
£'000		£'000		£'000	£'000	£'000
	EMPLOYEES					
	Uniformed					
34,077	Firefighters	34,104	34,171		342	34,513
1,263	Control	1,259	1,259		37	1,296
2,253	Additional Hours	1,285	1,303	2	8	1,313
37,593	TOTAL UNIFORMED	36,648	36,733	2	387	37,122
	APT&C and Manual					
8,163	APT&C	8,378	8,756	1	-81	8,676
259	Handymen/Cleaning	288	288			288
93	Catering	106	106			106
540	Transport Maintenance	568	568			568
59	Other Manual	95	95			95
186	Casuals	0	19			19
9,300	TOTAL APT&C/MANUAL	9,435	9,832	1	-81	9,752
	Other Employee Expenses					
0	Rent & Lodging	1	1		-1	0
149	Allowances	68	91	26	-7	110
5	Removal Expenses	5	5			5
376	Training Expenses	585	616		-49	567
217	Other Expenses	36	32	15	-4	43
15	Staff Advertising	22	22		-7	15
37	Development Expenses	97	97		-20	77
946	Employee Insurance	128	128		18	146
832	MPF Pen Fixed Rate	2,818	2,818			2,818
168	Enhanced pensions	46	46		6	52
8	SSP & SMP Reimbursements	-16	-16			-16
109	Catering Expenditure	113	113	8		121
-358	HFRA Capitalisation Payroll	0	0		-730	-730
2,504	TOTAL OTHER EMPLOYEE EXPEND	3,903	3,953	49	-794	3,208
	Pensions					
1,700	Injury Pension	1,694	1,694			1,694
0	Transfer Values	0	0			0
351	Ill Health Ret charges	174	174			174
2,051	TOTAL PENSIONS	1,868	1,868	0	0	1,868
51,448	TOTAL EMPLOYEES	51,854	52,386	52	-488	51,950
	PREMISES					
352	Building Maintenance Repairs	368	339		-21	318
203	Site Maintenance Costs	172	183		10	193
732	Energy	759	759		-1	758
108	Rent	76	76	5	-1	80
1,061	Rates	1,195	1,195		-28	1,167
232	Water	264	264		-13	251
58	Fixtures	66	60		-2	58
152	Contract Cleaning	157	157		-3	154
47	Insurance	61	61		-9	52
2,945	TOTAL PREMISES	3,118	3,094	5	-68	3,031
	TRANSPORT					
400	Direct Transport	330	334		14	348
26	Tunnel Fees	29	29			29
168	Operating Lease	198	199		3	202
493	Other Transport Costs	584	585		-85	500
154	Car Allowances	133	132		-22	110
365	Insurance	344	344		9	353
1,606	TOTAL TRANSPORT	1,618	1,623	0	-81	1,542

2014/15 FIRE SERVICE REVENUE BUDGET MOVEMENT SUMMARY

Actual 2013/14 £'000	SERVICE REQUIREMENTS	Base Budget 2014/15 £'000	Qtr 1 Budget 2014/15	Reserve Draw- down £'000	Vire- ments £'000	Qtr 2 Budget 2014/15 £'000
SUPPLIES & SERVICES						
43	Administrative Supplies	42	64		-7	57
274	Operational Supplies	292	305		58	363
6	Hydrants	20	20			20
65	Consumables	74	75		-5	70
103	Training Supplies	154	165		-18	147
119	Fire Prevention Supplies	138	140	21	-10	151
43	Catering Supplies	31	47		3	50
316	Uniforms	358	363		-23	340
113	Printing & Stationery	170	164		-23	141
14	Operating Leases	2	2		1	3
729	Professional Fees/Service	883	889	9	341	1,239
660	Communications	664	684		-11	673
25	Postage	35	35		-5	30
8	Command/Control	4	4		7	11
305	Computing	387	390	165	-190	365
251	Medicals	306	310		8	318
90	Travel & Subsistence	84	88	1	15	104
74	Grants/Subscriptions	110	113		-10	103
23	Advertising	15	15	8	-2	21
45	Furniture	44	45	80	-4	121
81	Laundry	81	81			81
32	Insurances	46	46		-12	34
27	Hospitality	16	19		-11	8
3,446	TOTAL SUPPLIES & SERVICES	3,956	4,064	284	102	4,450
AGENCY SERVICES						
75	Super Fund Admin	73	73			73
1,453	ICT Service Provider	1,466	1,466		29	1,495
203	Third Party Payments (FSN)	197	197		-2	195
455	ICT Managed Suppliers	544	544			544
2276	PFI Unitary Charges	2633	2,640			2,640
4,462	TOTAL AGENCY SERVICES	4,913	4,920	0	27	4,947
CENTRAL EXPENSES						
317	Finance & Computing	278	279		103	382
317	TOTAL CENTRAL EXPENSES	278	279	0	103	382
CAPITAL FINANCING						
5,197	PWLB Debt Charges	5,895	5,895			5,895
75	MRB Debt Charges	76	76			76
23	Finance Lease Debt Charges	0	0			0
3,327	Revenue Contribution to Capital	775	1,304	522	790	2,616
8,622	TOTAL CAPITAL FINANCING	6,746	7,275	522	790	8,587
72,846	TOTAL EXPENDITURE	72,483	73,641	863	385	74,889
INCOME						
3,759	Specific Grants	3,585	3,696		99	3,795
16	Sales	0	0			0
1,581	Fees & Charges	832	1,111		123	1,234
16	Reinforcing moves	5	5			5
281	Rents etc	448	448			448
754	Recharges Secondments	456	521			521
218	Contributions	100	200		100	300
107	Recharges Internal	114	114			114
27	Other Income	5	5			5
36	UKRO Income	0	0			0
6,795	TOTAL INCOME	5,545	6,100	0	322	6,422
66,051	NET EXPENDITURE	66,938	67,541	863	63	68,467

2013/14 CORPORATE SERVICES REVENUE BUDGET MOVEMENT
SUMMARY

Actual 2013/14	SERVICE REQUIREMENTS	Base Budget 2014/15	Qtr 1 Budget 2014/15	Reserve Draw- down	Vire- ments	Qtr 2 Budget 2014/15
£'000		£'000		£'000	£'000	£'000
	EXPENDITURE					
	Finance & Legal costs					
79	Finance Officer	79	79			79
93	Legal Officer	84	84		2	86
	Democratic Rep (1020)					
19	- Travel & Subsistence	48	48		-4	44
4	- Conference fees	15	15			15
239	- Members Allowances	230	228			228
1	- Telephones	2	2		1	3
0	- Training	1	1			1
0	- Hospitality	3	3			3
	Central Expenses (1030)					0
16	Bank charges	18	18		-1	17
38	District Audit Fees	68	68		-20	48
34	Subscriptions	43	43		-8	35
523	TOTAL EXPENDITURE	591	589	0	-30	559

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Capital Programme 2014/15

<u>EXPENDITURE</u>	Approved Budget	Qtr 1 Budget	Qtr 2 Re-Phasing of Schemes	QTR 2 Virements	QTR 2 Amend-ments	Qtr 2 Budget	Actual to September 2014	
	£		£	£	£	£	£	
<u>BUILDING & LAND PROGRAMME</u>								
BLD001	Roofs & Canopy Replacements	50,000	65,000		-10,000	55,000	720	
BLD004	Concrete Yard Repairs	20,000	28,000		10,000	38,000	5,123	
BLD005	Tower Improvements	0	9,900			9,900	0	
BLD007	L.E.V. Sys In App Rooms	0	6,700			6,700	4,984	
BLD011	Capital Refurbishment	57,000	57,000			57,000	0	
BLD013	Appliance Room Floors	46,500	51,500			51,500	0	
BLD014	Boiler Replacements	0	49,500			49,500	0	
BLD016	Community Station Investment	35,500	38,500			38,500	1,469	
BLD017	F.S. Refurbishment Toxteth	0	0			0	-34,528	
BLD018	Conference Facilities H/Q	4,500	4,500			4,500	0	
BLD020	5 Year Electrical Test	38,000	150,000			150,000	0	
BLD026	Corporate Signage	0	3,000			3,000	2,653	
BLD031	Diesel Tanks	150,000	150,000			150,000	0	
BLD033	Sanitary Accommodation Refurb	50,000	56,000			56,000	4,073	
BLD034	Office Accommodation	0	16,000			16,000	13,345	
BLD036	L.L.A.R. Accommodation Formby	300,000	313,500			313,500	2,836	
BLD040	F.S. Refurbishment Whiston	152,500	152,500	-152,500		0	0	
BLD041	F.S. Refurbishment Aintree	277,000	280,000	-280,000		0	0	
BLD042	St Helens Conversion	507,000	511,000	-400,000		111,000	19,963	
BLD044	Asbestos Surveys	0	15,500			15,500	0	
BLD045	City Centre Community Facility	70,000	79,500			79,500	0	
BLD055	F.S. Refurbishment Bromborough	310,000	322,500	-310,000		12,500	9,570	
BLD056	F.S. Refurbishment Eccleston	338,000	338,000	-338,000		0	0	
BLD057	F.S. Refurbishment Crosby	375,000	375,000	-375,000		0	0	
BLD058	H.V.A.C. Heating, Vent & Air Con	92,000	92,000			92,000	0	
BLD059	Llar Accomodation Eccleston	237,500	237,500	-237,500		0	0	
BLD060	D.D.A. Compliance Work	0	307,000			307,000	1,250	
BLD061	Lighting Conductors Surge Protectors	50,000	55,000			55,000	0	
BLD062	Emergency Lighting	0	26,400			26,400	0	
BLD063	F.S. Refurbishment Kirby	326,000	326,000	-326,000		0	0	
BLD065	MACC Server Room Extension	0	4,000			4,000	0	
BLD067	Gym Equipment Replacement	25,000	76,500			76,500	12,573	
BLD068	SHQ Joint Control Room	0	3,514,300		1,000	421,000	3,936,300	
BLD069	F.S. Refurbishment Allerton	341,000	341,000	-341,000		0	0	
BLD070	Workshop Enhancement	0	350,000			350,000	390	
BLD071	Station Refresh	450,000	486,000	-300,000		186,000	35,194	
BLD072	SHQ Tower	75,000	249,000			249,000	228,750	
BLD073	SHQ Museum	75,000	150,000			150,000	2,818	
BLD075	Llar Accomodation Newton Le Willows	0	65,000			65,000	65,000	
CON001	Energy Conservation Non-Salix	25,000	33,500			33,500	0	
CON002	Energy Conservation Salix	0	0		75,000	75,000	0	
DSO001	D.S.O. Cleaning Equipment	6,000	8,500			8,500	0	
EQU002	Fridge/Freezer Rep Prog	10,500	22,000			22,000	3,290	
EQU003	Furniture Replacement Prog	10,500	22,500			22,500	1,995	
TDA001	Fire House Refurbishment	80,000	80,000			80,000	0	
	Total	4,584,500	9,519,300	-3,060,000	76,000	421,000	6,956,300	2,622,929
<u>FIRE SAFETY</u>								
FIR002	Smoke Alarms (H.F.R.A.)	500,000	500,000			500,000	125,806	
FIR005	Installation Costs (H.F.R.A.)	730,000	730,000			730,000	0	
FIR006	Deaf Alarms (H.F.R.A.)	49,000	49,000			49,000	0	
FIR007	Replacement Batteries (H.F.R.A.)	2,000	2,000			2,000	759	
FIR009	Risk Management Residential Blocks	200,000	200,000			200,000	0	
	Total	1,481,000	1,481,000	0	0	0	1,481,000	126,565

Capital Programme 2014/15

<u>EXPENDITURE</u>		Approved Budget	Qtr 1 Budget	Qtr 2 Re-Phasing of Schemes	QTR 2 Virements	QTR 2 Amendments	Qtr 2 Budget	Actual to September 2014
		£		£	£	£	£	£
ICT								
FIN001	F.M.I.S. Replacement	0	233,000		-2,700		230,300	91,035
IT002	I.C.T. Software	2,000	2,000				2,000	0
IT003	I.C.T. Hardware	91,000	106,800				106,800	49,916
IT005	I.C.T. Servers	205,000	303,500				303,500	29,276
IT018	I.C.T. Network	54,000	71,500				71,500	30,125
IT026	I.C.T. Operational Equipment	12,000	14,000				14,000	6,475
IT027	I.C.T. Security	2,000	6,000				6,000	0
IT028	System Development Portal	112,000	129,900				129,900	923
IT030	I.C.T. Projects / Upgrades	5,000	5,000				5,000	0
IT036	Portable Storage Media	0	27,000				27,000	0
IT039	Estates Management System	20,000	20,000				20,000	0
IT040	Analytical Tool CFS Work	90,000	90,000				90,000	59,180
IT043	E Recruitment System	0	700				700	0
IT046	TRM System	0	200,000		52,700		252,700	76,282
IT047	Legl Case Management system	0	4,500				4,500	0
IT049	Wireless Rollout	0	9,000				9,000	0
IT050	Community Protection System	30,000	30,000				30,000	0
	JCC ICT scheme	0	928,000			29,000	957,000	530,702
IT055	C3i C&C Comms and Info system	15,000	25,000				25,000	21,074
IT056	PFI Access Door System	18,000	18,000				18,000	0
IT057	Fleet Management System	0	0		87,500		87,500	0
RC003	Corporate Gazateeer	0	9,500				9,500	0
	Total	656,000	2,233,400	0	137,500	29,000	2,399,900	894,988
OPERATIONAL EQUIP. & HYDRANTS								
OPS001	Gas Tight Suits Other Ppe	40,000	50,000				50,000	0
OPS003	Hydraulic Rescue Equipment	65,000	93,000				93,000	0
OPS005	Resuscitation Equipment	0	27,500				27,500	0
OPS009	Pod Equipment	50,000	119,000				119,000	0
OPS011	Thermal Imaging Cameras	10,000	11,500				11,500	0
OPS022	Improvements To Fleet	20,000	36,000				36,000	35,532
OPS024	BA equipment / Comms	502,000	723,500				723,500	170,417
OPS026	Rope Replacement	20,000	35,000				35,000	3,696
OPS027	Light Portable Pumps	20,000	20,000				20,000	0
OPS031	Cctv Equipment/Drone	32,000	32,000				32,000	0
OPS033	Marine Rescue Launch	0	5,000				5,000	0
OPS038	Water Delivery System	0	62,000				62,000	0
OPS039	Water Delivery Hoses	0	49,000				49,000	14,474
OPS049	Bulk Foam Attack Equipment	48,000	48,000				48,000	0
OPS052	DEFRA FRNE Water Rescue Grant	0	20,000				20,000	1,718
HYD001	Hydrants (New Installations)	18,500	18,500				18,500	1,233
HYD002	Hydrants (Rep Installations)	18,500	20,100				20,100	0
	Total	844,000	1,370,100	0	0	0	1,370,100	227,070
VEHICLES								
VEH001	Wtl'S Purchased	750,000	750,000				750,000	0
VEH002	Ancillary Vehicles	677,200	876,200				876,200	16,940
VEH004	Special Vehicles	1,001,000	1,012,500				1,012,500	0
VEH005	Vehicles water Strategy	0	29,000				29,000	0
VEH006	Motorcycle Response	44,000	44,000				44,000	0
WOR001	Workshop Equipment	0	32,000				32,000	8,685
	Total	2,472,200	2,743,700	0	0	0	2,743,700	25,625
	Grand Total	10,037,700	17,347,500	-3,060,000	213,500	450,000	14,951,000	3,897,176

Capital Programme 2014/15

<u>EXPENDITURE</u>	Approved Budget	Qtr 1 Budget	Qtr 2 Re-Phasing of Schemes	QTR 2 Virements	QTR 2 Amend-ments	Qtr 2 Budget	Actual to September 2014
	£		£	£	£	£	£
FINANCING							
Capital Receipts							
Sale of Toxteth FS	250,000	250,000	0	0		250,000	243,956
Sale of Formby LLAR House	350,000	350,000	0	0		350,000	0
Sale of Derby Road	700,000	500,000	0	0		500,000	0
						0	
						0	
R.C.C.O. / Cap Investment Reserve							
Capitalisation of Sals HFRA	730,000	730,000	0	0		730,000	0
It Equipment (IT003)	0	2,300	0	0		2,300	0
Joint Control Room (BLD068)	0	177,300	0	0	340,000	517,300	0
Two Storey Refresh (BLD074)	0	0	0	1,000		1,000	0
Salix Energy Conservation (CON002)	0	0	0	75,000		75,000	0
JCC IT Works (IT053) Cap Inv Res	0	60,000	0	0	29,000	89,000	0
FSN Charge for Alarms (FIR002)	50,000	50,000	0	0		50,000	0
Fleet Mgmt System (IT057) Cap Inv Res	0	0	0	78,000		78,000	0
Station Refresh (BLD071) Cap Inv Res	400,000	400,000	0	0		400,000	0
SHQ Museum (BLD073) Cap Inv Res Ye	75,000	75,000	0	0		75,000	0
Fire Risk Mgmt (FIR009) Fire Safety Res	200,000	200,000	0	0		200,000	0
Planning Performance Mgmt (IT040) Cap	50,000	50,000	0	0		50,000	0
DDA Compliance works (BLD068) Cap I	0	225,000	0	0		225,000	0
Training Tower HQ (BLD072) Cap Inv Re	0	64,000	0	0		64,000	0
Fleet Mgmt System (IT057) Cap Inv Res	0	0	0	9,500		9,500	0
TRM System (IT046)	0	0	0	50,000		50,000	0
						0	
Grant							
(Capital Grant) Fire Control Grant	0	700,000	0	0		700,000	0
(Capital Grant) DCMS	133,000	133,000	0	0		133,000	0
(Capital Grant) Police Grant	0	1,752,000	0	0	81,000	1,833,000	989,980
						0	
Capital Grant CSR07 (1,728,900) (BLD	1,243,966	1,243,966	0	0		1,243,966	1,243,966
Total Non Borrowing	4,181,966	6,962,566	0	213,500	450,000	7,626,066	2,477,902
Borrowing Requirement							
Unsupported Borrowing	5,855,734	10,384,934	-3,060,000	0	0	7,324,934	1,419,274
Borrowing	5,855,734	10,384,934	-3,060,000	0	0	7,324,934	1,419,274
Total Funding	10,037,700	17,347,500	-3,060,000	213,500	450,000	14,951,000	3,897,176

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Approved Authority Capital Programme for 2014/2015 - 2018/2019

Capital Expenditure	Total Cost £	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
Building/Land	16,151,300	6,956,300	7,991,000	455,500	352,000	396,500
Fire Safety	6,599,000	1,481,000	1,281,000	1,279,000	1,279,000	1,279,000
ICT	4,664,900	2,399,900	652,000	531,000	556,000	526,000
Operational Equipment & Hydrants	1,913,100	1,370,100	57,000	352,000	67,000	67,000
Vehicles	7,782,300	2,743,700	1,383,800	1,543,800	1,212,000	899,000
Ependiture	37,110,600	14,951,000	11,364,800	4,161,300	3,466,000	3,167,500
2014/15 - 2018/19 Qtr 1 Approved Programme	33,347,100	17,347,500	5,204,800	4,161,300	3,466,000	3,167,500
Q2 Current to Q1 Change	3,763,500	(2,396,500)	6,160,000	0	0	0
Q2 Movements Explained by:						
Re-phasing into 2015/16	0	(3,060,000)	3,060,000			
Budget Amendment						
Prescot FS New Build (CFO/095/14)	3,100,000	0	3,100,000			
JCC Build (CFO/109/14)	421,000	421,000				
JCC Build	1,000	1,000				
Energy Conservation Salix Schemes	75,000	75,000				
Fleet Management System	87,500	87,500				
Time & Resource Mgt ICT System	50,000	50,000				
JCC Scheme - ICT works	29,000	29,000				
Q2 Movement	3,763,500	(2,396,500)	6,160,000	0	0	0
Financing Available						
	Total £	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
Capital Receipts	1,875,000	1,100,000	275,000	500,000	0	0
RCCO	3,962,800	842,800	780,000	780,000	780,000	780,000
DDA Investment Reserve	225,000	225,000				
Capital Reserve	2,178,300	1,348,300	830,000			
Firefighter Safety Investment Reserve	200,000	200,000				
Grants	3,846,966	2,076,966	1,770,000	0	0	0
External Contributions	1,833,000	1,833,000	0	0	0	0
Total Non Borrowing	14,121,066	7,626,066	3,655,000	1,280,000	780,000	780,000
Unsupported Borrowing	22,989,534	7,324,934	7,709,800	2,881,300	2,686,000	2,387,500
Total Funding	37,110,600	14,951,000	11,364,800	4,161,300	3,466,000	3,167,500
Q1 Funding Level for 2014/15 - 2018/19 Programme	33,347,100	17,347,500	5,204,800	4,161,300	3,466,000	3,167,500
Q2 to Q1 Change	3,763,500	(2,396,500)	6,160,000	0	0	0
Funding Change Explained by:						
RCCO	60,500	60,500				
Reserves	1,352,000	522,000	830,000			
Capital Receipts	500,000			500,000		
Grants	1,770,000		1,770,000			
External Contributions	81,000	81,000				
Unsupported Borrowing	0	(3,060,000)	3,560,000	(500,000)		
Q2 Movement	3,763,500	(2,396,500)	6,160,000	0	0	0

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Department for Communities and Local Government

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17 October 2014

Fire Transformation Fund 2015-16: outcome of the competitive bid process

Dear Colleague,

I write to advise you on the outcome of your bids for fire and rescue transformation funding for 2015-16.

The funds are to deliver the types of transformative change identified by the Government in its Spending Round 2013 document, as well as opportunities identified by Sir Ken Knight in his independent review of efficiencies in the fire and rescue sector.

I am pleased to be able to inform you that your medium lot bid has been successful, with £4.47 million of the requested £4.50 million being awarded.

- £4,468,500 to merge existing stations into three new efficient fire stations, while protecting front line services by the introduction of on-call (retained) firefighter crewing at the three new sites. In addition the new sites will be shared with police and ambulance services.

The Department has today published a list of the winning bids on our web-site, also attached as a separate annex to this letter.

Payments of funds are expected to be made early in the financial year. As the funds are a key plank of the support which Government is giving to fire and rescue authorities to help them drive efficiencies and transformation change, we will want to judge the effectiveness of the funding and also to encourage project progress. The Department would therefore welcome an update on project progress at six monthly intervals.

To provide further impetus, transparency and good-practice sharing on transformative change associated with the funds, I would also encourage successful authorities to regularly place brief updates on progress on their own websites.

The Department will write to you again nearer that time to advise on payment details and the progress update form.

I am copying this letter to your Chief Fire Officer / Chief Executive.

PENNY MORDAUNT MP

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Fire and Rescue Authority	Bid Description	Award *
Avon Fire	Project to merge two fire stations into a one. Will produce ongoing efficiencies while maintaining fire cover and improving community safety provision to the public.	£1.05 M
Bedfordshire Fire	Project to deliver a more efficient and robust on-call service to meet the changing needs of the local community and service.	£0.31 M
Buckinghamshire Fire	Project to merge two fire stations and a police site into a modern joint facility. Will enable improved operational and support function collaboration.	£2.84 M
Cambridgeshire Fire	A collaborative project with both Bedfordshire and Devon and Somerset fire and rescue authorities to further develop a web cloud ready service for on-call firefighter recruitment.	£1.45 M
Cheshire Fire	To fund a safety and life-skills centre to educate those most at risk of accidental death or injury, focusing on prevention and protection as an efficient use of fire service resource to benefit the local community.	£1.95 M
Cleveland Fire	Delivering efficiencies and protecting front line service delivery via building two new community fire stations while improving crewing arrangements with recruitment of 48 on-call firefighters.	£2.80 M
Cumbria	This collaborative project will deliver a new Fire, Ambulance and Police centre in Ulverston, including Library Services and council office facilities to maximise community engagement potential. In addition a separate accommodation block will enable a day-crew plus system delivering revenue savings while protecting frontline services through a more efficient crewing arrangement.	£4.68 M
Derbyshire Fire	Project to build a new joint police and fire headquarters enabling shared support services and improved partnership working benefiting the local community.	£1.50 M
Devon & Somerset Fire	A project with both Kent and Essex fire and rescue authorities to establish a procurement hub leading towards a national procurement capability for the sector.	£0.37 M
Durham Fire	This collaborative project will build joint emergency services stations at Barnard Castle and Durham City. Barnard Castle will also house the local Mountain Rescue Team making the shared site the first "Quad-Service" in the country.	£3.78 M
Essex Fire	Essex leads a syndicate of nine fire and rescue authorities establishing an insurance pooling arrangement open to all fire and rescue authorities with additional secondary insurance to cover extreme events. Efficiencies will be achieved via reduced insurance costs, whilst continuing to maintain a robust approach to risk management.	£0.22 M
Greater Manchester	A police, fire and ambulance prevention and protection collaboration to create multi-functional teams via an on-call payment model targeting significant demand factors that impact across all three services, improving quality of life outcomes for individuals and the	£3.73 M
Greater Manchester	A collaborative protection and prevention project including Salford city council, creating prevention hubs delivering bespoke support for young people, via evidence-based interventions to improve quality of life outcomes for individuals and the community.	£0.49 M
Hampshire Fire	The provision of a new joint police and fire service headquarters; plus police co-location at fire stations and progression of fleet maintenance partnerships, enabling both efficiencies and closer collaboration.	£2.60 M
Hampshire Fire	Project to transform the way on call services are delivered by using smaller early intervention vehicles to provide more efficient use of resources, while collaborating with ambulance services to attend more medical emergencies	£1.39 M
Hereford & Worcester Fire	Project will merge existing stations into a new fire station, rationalising the estate while maintaining service level. Develop joint community safety initiatives with the police, enhance prevention and protection, establish a co-responding pilot with the ambulance service, provide support to water related incident volunteers and develop Red Cross relations.	£2.38 M
Hereford & Worcester Fire	Project to co-locate the headquarters functions of both police and fire services via an extension to the existing West Mercia Police headquarters to achieve back office efficiencies.	£1.89 M
Hertfordshire	Collaboration project with county council services to re-locate library services in four Hertfordshire villages to on-call fire stations, with resultant joint-use rationalisation efficiencies whilst establishing a community friendly platform for prevention and protection service delivery.	£0.70 M
Kent Fire	Kent will lead a syndicate, with West Sussex and West Yorkshire to upgrade the existing National Fire Service Emergency Cover Toolkit to a modern, fit for purpose risk modelling toolkit. This sector led project in collaboration with Chief Fire Officers' Association will enable the toolkit to continue to provide an enabler for change.	£0.35 M
Lancashire Fire	A project to convert a fire station to Day Crewing Plus by providing an on-site accommodation block. This will enable a voluntary shift to this standby cover model, which will deliver revenue savings while protecting frontline services through this more efficient crewing arrangement.	£0.57 M
Lancashire Fire	A blue light collaboration project to co-locate fire and ambulance services at a new fire station, with resultant joint-use efficiencies whilst maintaining fire cover response standards and providing an opportunity to develop a co-responding scheme with the ambulance service.	£2.44 M
London Fire	A collaborative project to implement data transfer between fire, ambulance and police control rooms to support joint incidents. This will raise the efficiency of resolving incidents and forms part of a long term strategy to increase London fire's ability to collaborate with its police and ambulance delivery partners.	£0.76 M

Transformation Fund - Annex A

Merseyside Fire	This project merges existing stations into three new efficient fire stations, while protecting front line services by the introduction of on-call arrangements at the three new sites. In addition the new sites will be shared with police and ambulance services enabling further efficiencies and service collaboration.	£4.47 M
North Yorkshire Fire	To build a new efficient and more effective transport and logistics facility as a local invest to save opportunity, with longer term potential to increase existing blue light back-office transport services collaboration.	£2.42 M
Northamptonshire	A collaboration project to replace the current fire service incident command unit vehicle with a purpose built vehicle jointly crewed by police and fire staff; will lead to operational efficiencies and additional protection and prevention benefits from use for community engagement.	£0.88 M
Northamptonshire	A project to purchase joint rural response units (Police/ Fire), improving visibility and accessibility within local communities. Expanding on-call arrangements to include Police Specials and volunteers and maximising new technology to provide more efficient delivery model.	£2.28 M
Northumberland	Relocating Hexham Fire station to Hexham Hospital by converting and extending an existing building, to provide ongoing efficiencies, whilst improving operational response to the local community and closer working with the ambulance service. In addition the project will include residence facilities for doctors providing on-call emergency cover at the hospital.	£0.91 M
Oxfordshire	A project with both Lincolnshire and Devon and Somerset fire and rescue authorities to recruit and train 50 on-call fire fighters to improve protection and prevention and emergency intervention to local communities.	£0.56 M
South Yorkshire Fire	Co-locating fire and police stations in Maltby with resultant efficiencies, improved community safety, and strengthened blue light service relationships.	£0.56 M
Staffordshire Fire	A collaborative project to build a new fire station operationally shared with ambulance services, combined with a life-skills centre to act as a focal point for multi-agency engagement in respect of protection and preventative programmes.	£3.96 M
Staffordshire Fire	The creation of a tri-service neighbourhood centre in the site of the existing fire station with specific space for each service plus a shared service area. The project will enhance the effectiveness and integrated nature of the local emergency services provision whilst delivering cash and organisational benefits for each of their service partners.	£1.18 M
Suffolk	Co-locating with a mixture of police, county council and ambulance services across seven building projects with resultant shared use efficiencies. The programme will bring the number of blue light shared fire stations to 12 out of a total of 35 fire and rescue service	£4.94 M
Surrey	A collaboration with the ambulance service to provide clinical and trauma training for all front line fire fighters and publicly accessible defibrillators at all Surrey fire stations, developing a scheme that can be adopted nationwide.	£0.34 M
Surrey	A project spanning Surrey and Sussex fire, police and ambulance services to deliver efficient provision and management of transport functions. This transformational project will rationalise workshop numbers and associated costs, introducing a single management	£5.96 M
Tyne & Wear Fire	This project will co-locate police and fire services at six fire stations resulting in rationalisation efficiencies while making communities safer by improved community access and collaboration.	£0.93 M
Warwickshire	Project will recruit and support 15 on-call firefighters with resultant efficiencies, protection of front line services and assisting the establishment of two new strategic locations further improving services to local communities, by enabling firefighter redeployment.	£1.84 M
Wiltshire Fire	Project to support the planned merger between Dorset and Wiltshire FRAs, in particular, extending Dorset's prevention work to Wiltshire by building a Streetwise Safety Centre and multi-agency strategic hub in Wiltshire, delivering an additional 20,000 educational visits to children and vulnerable people each year.	£5.54 M

*Award rounded to the nearest two decimal points.

APPENDIX E

Quarter 2 Write-Offs 2014/15

Invoice Date	Invoice Number	Provision Bad Debt List	Customer Code	Customer Name	Line Description	Write Off Reason	Amount To Be Written Off		
							Nett Value	VAT	Gross Value
							£	£	£
12/10/12	I0014700	YES	JOP002	DALE DAVID JOPLIN	SPECIAL SERVICE CALL	LITIGATION ADVICE	340.00	68.00	408.00
							340.00	68.00	408.00

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MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	POLICY AND RESOURCES COMMITTEE		
DATE:	27 NOVEMBER 2014	REPORT NO:	CFO/116/14
PRESENTING OFFICER	DEPUTY CHIEF EXECUTIVE		
RESPONSIBLE OFFICER:	KIERAN TIMMINS	REPORT AUTHOR:	IAN CUMMINS
OFFICERS CONSULTED:			
TITLE OF REPORT:	TREASURY MANAGEMENT INTERIM REPORT 2014/15		

APPENDICES:	APPENDIX A: TREASURY MANAGEMENT INTERIM REPORT 2013/14
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Purpose of Report

1. This report ensures that the Authority meets the requirements of the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Authority is required to comply with both Codes through Regulations issued under the Local Government Act 2003). The Codes require the Authority to review its Treasury Management activities during the year to ensure they are consistent with its approved Treasury Management Strategy and have remained within the approved Prudential Indicators. This report meets that requirement and outlines the Treasury Management activities and performance for April to September for the financial year 2014/15.

Recommendation

2. That Members note the contents of the report.

Introduction and Background

3. The CIPFA Code of Practice for Treasury Management in Local Authorities has been adopted by the Authority and a Treasury Policy Statement incorporated into Financial Regulations, which are contained within the Authority's Constitution, in accordance with the requirements of the Code. The arrangements for reporting treasury management activities to members are that the Deputy Chief Executive (DCE) will present a minimum of three reports: -
 - An Annual Treasury Strategy Report before the start of a financial year.
 - An interim report during the second half of a financial year, (other interim reports will be prepared if necessary).
 - An annual outturn report by 30th September following the financial year to which it relates.

4. The original Treasury Management Strategy Statement 2014/15 was contained within the Budget and Financial Plan report CFO/011/14 approved by the Authority at its meeting on 27th February, 2014. The strategy covered the following areas:
 - (a) prospects for interest rates;
 - (b) capital borrowing and debt rescheduling;
 - (c) annual investment strategy;
 - (d) external debt prudential indicators;
 - (e) treasury management prudential indicators.
 - (f) performance indicators;
 - (g) treasury management advisers

5. The Interim Treasury Management Report, attached as Appendix A, constitutes the interim report for 2014/15. In summary the treasury management activity has been carried out in compliance with the relevant Codes and Statutes and within the borrowing and treasury management limits set by the Authority under the prudential code. Performance indicators are consistent with the Authority's approved Treasury Management Strategy.

Equality and Diversity Implications

6. There are no equal opportunity implications in this report.

Staff Implications

7. None directly related to this report.

Legal Implications

8. This report meets the requirements of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 paragraph 24 issued under the Local Government Act 2003 and the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities.

Financial Implications & Value for Money

9. Borrowing and financing costs at £5.972m make up a significant proportion of Authority budgets (over 9%). It is vital that this is proactively managed alongside the investment portfolio to minimise risk.

Risk Management, Health & Safety, and Environmental Implications

10. None directly related to this report.

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

11. Sound budgetary management and the delivery of services within the approved budget contribute to the core value of providing an excellent and affordable response.

BACKGROUND PAPERS

CFO/011/14 “MFRA Budget and Financial Plan 2014/2015 – 2018/2019” Authority
27th February 2014.

CFO/143/10 “Treasury Policy Statement & Management Practices” Audit & VFM
Scrutiny Panel 2nd September 2010.

GLOSSARY OF TERMS

CIPFA The Chartered Institute for Public Finance & Accountancy.

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TREASURY MANAGEMENT INTERIM REPORT 2014/15**INTRODUCTION**

1. The CIPFA Code of Practice for Treasury Management in Local Authorities has been adopted by the Authority. The Code requires that Treasury Management activities are subject to reports to Members. This report represents the interim report for 2014/15.
2. The strategy for the year was identified in the Treasury Management Strategy Statement 2014/15 as part of the Budget Proposals 2014/15 submitted to Members in February 2014. The strategy covered the following areas:
 - (a) prospects for interest rates;
 - (b) capital borrowing and debt rescheduling;
 - (c) annual investment strategy;
 - (d) external debt prudential indicators;
 - (e) treasury management prudential indicators.
 - (f) performance indicators;
 - (g) treasury management advisers

PROSPECTS FOR INTEREST RATES

3. Growth rebounded during 2013 and the first quarter of 2014 to surpass expectations, propelled by recovery in consumer spending and the housing market. Growth prospects remain strong for the rest of 2014 and unemployment is expected to fall. The Monetary Policy Committee (MPC) was forecast to hold bank rate at 0.5% throughout 2014 but with the possibility of an increase in early 2015 should the recovery prove stronger than expected. However, the sharp fall in UK inflation and further weakening in the Euro zone indicates that any move will be delayed until later in 2015. Base rate is expected to remain at 0.5% for the rest of the financial year 2014/15.
4. It was expected that there would be upward pressure on longer term rates due to a high volume of debt issuance and improved prospects of a return to economic growth. However, this has been offset by a continued demand for safe haven instruments whilst there is political unrest in various places around the world. Long term PWLB rates have fallen by 0.4% during the first half of the year but are expected to recover slightly later in the year.
5. The strategy indicated that the overall structure of interest rates, whereby short term rates are lower than long term rates, was expected to remain the same throughout 2014/15. In this scenario, the strategy would be to reduce investments and borrow for short periods and possibly at variable rates when required.

CAPITAL BORROWINGS AND DEBT RESCHEDULING

6. The borrowing requirement comprises the expected movements in the Capital Financing Requirement and reserves plus any maturing debt which will need to be re-financed. The Authority does not envisage that any new long term borrowing will be required in 2014/15.
7. Current PWLB lending terms have severely constrained the option to generate savings via debt rescheduling. A significant rise in long term interest rates is required before rescheduling of debt is viable. However, interest rate structures are continually monitored

for opportunities to generate savings from debt rescheduling. Any rescheduling that takes place will be reported to Members in monitoring reports.

ANNUAL INVESTMENT STRATEGY

8. The investment strategy for 2014/15 set out the priorities as the security of capital and liquidity of investments. Investments are made in accordance with CLG Guidance and CIPFA Code of Practice. Investments are made in sterling with an institution on the counterparty list and for a maximum of one-year duration.
9. The diversity of investments has been expanded by the use of deposits with the larger Building Societies. These deposits combined with investments with the “nationalised” banks and AAA rated money market funds has enabled reasonable returns in a low interest rate environment. In the period 1st April to 30 September 2014 the average rate of return achieved on average principal available was 0.69%. This compares with an average seven day deposit (7 day libid) rate of 0.35%.
10. The credit ratings and individual limits for each institution within the categories of investments to be used by the Authority in 2014/15 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
UK Banks and Building Societies (A- or higher rated)	£2m
Foreign banks registered in the UK (A or higher rated)	£2m
11. The Authority had investments of £29.1m as at the 27 September 2014. Most of which is due to the carry forward of £18.7m of investments from 2013/14 and the receipt of £20.2m firefighter pension grant in July 2014. An analysis of the investments is outlined in the table below:

ANALYSIS OF INVESTMENTS END OF SEPTEMBER 2014				
Institution	Credit Rating	MM Fund*	Bank / Other	Building Society
		£	£	£
Deutsche/DGLS/State Street	AAA	1,100,000		
Ignis Liquidity Fund	AAA	3,000,000		
Goldman Sachs	AAA	3,000,000		
Morgan Stanley	AAA	3,000,000		
Prime Rate	AAA	3,000,000		
Natwest Instant Access	A		4,000,000	
Nationwide BS	A			2,000,000
Skipton Building Society	Unrated			1,000,000
Newcastle Building Society	Unrated			1,000,000
Nottingham Building Soc	Unrated			1,000,000
HBOS 12 Month FTD	A		4,000,000	
Close Brothers	A		2,000,000	
West Brom B Soc	Unrated			1,000,000
Totals		13,100,000	10,000,000	6,000,000
Total Current Investments				29,100,000

*MM Fund - Money Market Funds -these are funds that spread the risk associated with investments over a wide range of credit worthy institutions.

EXTERNAL DEBT PRUDENTIAL INDICATORS

12. The external debt indicators of prudence for 2014/15 required by the Prudential Code were set in the strategy as follows:

Authorised limit for external debt:	£80 million
Operational boundary for external debt:	£44million

Against these limits, the maximum amount of debt that was reached in the period April to September 2014 was £43.6 million.

TREASURY MANAGEMENT PRUDENTIAL INDICATORS

13. The treasury management indicators of prudence for 2014/15 required by the Prudential Code were set in the strategy as follows:

a) Interest Rate Exposures

Upper limit on fixed interest rate exposures:	100%
Upper limit on variable interest rate exposures:	50%

The maximum that was reached in the period April to September 2014 was as follows:

Upper limit on fixed interest rate exposures:	100%
Upper limit on variable interest rate exposures:	0%

b) Maturity Structure of Borrowing

Upper and lower limits for the maturity structure of borrowing were set and the maximum and minimum that was reached for each limit in the period April to September 2014 was as follows: -

Maturity Period	Upper Limit	Lower Limit	Maximum Actual	Minimum Actual
Under 12 months	80%	0%	3%	2%
12 months and within 24 months	50%	0%	5%	2%
24 months and within 5 years	50%	0%	8%	6%
5 years and within 10 years	50%	0%	9%	8%
10 years and above	85%	0%	78%	77%

c)

Total principal sums invested for periods longer than 364 days

The limit for investments of longer than 364 days was set at £2 million for 2014/15. No such investments have been placed in 2014/15.

14. **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.

15. The indicators for the treasury function are:

Borrowing – the indicator is the average rate of actual borrowing compared to the average available for the period of borrowing. However, there has been no borrowing in the period April to September 2014.

Investments – Internal returns compared to the 7 day LIBID rate. The return in the period April to September 2014 was 0.34% above the benchmark.

TREASURY MANAGEMENT ADVISORS

16. 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 advisors appointed under a competitive procurement exercise who provide a range of services which include: -
 - Technical support on treasury matters, 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.
17. Whilst Liverpool City Council and its advisors provide the treasury function, ultimate responsibility for any decision on treasury matters remains with the Authority.

CONCLUSION

18. Treasury Management activity in 2014/15 has been carried out in compliance with the relevant Codes and Statutes and within the borrowing and treasury management limits set by the Authority under the prudential code.

MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	POLICY & RESOURCES COMMITTEE		
DATE:	27TH NOVEMBER 2014	REPORT NO:	CFO/121/14
PRESENTING OFFICER	DEPUTY CHIEF FIRE OFFICER		
RESPONSIBLE OFFICER:	DIRECTOR OF PEOPLE AND ORGANISATIONAL DEVELOPMENT	REPORT AUTHOR:	DIRECTOR OF PEOPLE AND ORGANISATIONAL DEVELOPMENT
OFFICERS CONSULTED:	KIERAN TIMMINS DEPUTY CHIEF EXECUTIVE JANET HENSHAW DIRECTOR OF LEGAL SERVICES		
TITLE OF REPORT:	VOLUNTARY SEVERANCE GREY BOOK EMPLOYEES		

APPENDICES:	
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Purpose of Report

1. To update members on the potential use of Voluntary Severance (VS) agreements for firefighting staff as a mechanism to achieve the required savings to meet the ongoing financial challenge faced by the Authority.

Recommendation

2. That Members
 - a) note the contents of this report and the potential to utilise VS for Grey Book employees if required as part of the Budget savings options.
 - b) approve the approach advanced in this report regarding applications for VS from firefighting staff.
 - c) delegate responsibility for the management of such applications to the Chief Fire Officer in the same way as with non-firefighting staff in order to best meet future staffing requirements.

Introduction and Background

3. The Authority regularly receives queries from firefighters about the potential opportunity to take early (enhanced) retirement and/or VS. Whilst this has been considered in the past it has never been progressed, with the exception of a small trial in group in 2006, because:-
 - The use of natural retirement rates combined with the use of reserves to avoid compulsory redundancy has meant this approach has not been necessary to deliver the required savings.

- There have been legal barriers to offering the same package that can be offered to staff in the Local Government Pension Scheme (LGPS) under the rules of the Firefighters Pension Scheme (FPS).
 - The position regarding double accrual means that for most firefighters it would be expensive to 'buy out' service or it would leave them in a compromised financial position.
4. The financial challenges faced by the Authority have fundamentally changed over the course of the current spending review, particularly in relation to staffing issues and the clear requirement to strive to do the same with less. This has been bought about in no small part due to the desire of the Authority to seek to maintain a wholetime crewing model rather than the far more financially efficient but less effective retained alternative.
 5. The reality is however that for the Authority to maintain a predominantly wholetime crewing model, the Service, whilst at the same time meeting the current and future financial challenges must maximise its efficiency and effectiveness through a flexible and engaged workforce. This reality, in conjunction with the changes to the FPS, may cause some staff to re-evaluate their career with the Service leading to them to consider opportunities elsewhere. This is a position that is recognised and understood by the Authority.
 6. The scale of the financial challenges faced by the Authority make it increasingly difficult to deliver a reserves strategy that avoids compulsory redundancy particularly if, as expected, there are further spending cuts beyond 2015/16.
 7. The Authority therefore agreed to explore the use of VS for firefighters at its meeting on 26th June 2014 (CFO/077/14). An email to all staff was sent seeking expressions of interest on 8th July 2014. To date 64 expressions of interest have been received.

Statutory Background

8. Despite Authorities requesting over a number of years that changes are made to the Firefighter Pension Schemes by the Secretary of State to introduce similar discretions to those contained within the LGPS that provide for enhanced severance packages, the appropriate legislation is still in not in force. Consequently Authorities faced with extreme financial challenges remain unable to facilitate voluntary early retirement for FPS staff
9. However recent legal advice received by the Authority, in connection with a number of other Authorities who are faced with similar challenges has concluded that it is lawful for a Fire and Rescue Authority to make an enhanced Redundancy/ termination payment under section 5A(1) of the Fire and Rescue Services 2004 Act (as amended by the Localism Act 2011).

10. In recent budgets and restructuring exercises the offer that the Authority has made to non-uniformed staff when seeking candidates for voluntary severance has been twice the statutory minimum. It is possible that the Authority could make the same offer to firefighting staff. The Authority's advice is very clear that Authorities would be at risk should they decide to enhance the packages available beyond that previously paid to those staff employed under the LGPS. This is because a higher proportion of female staff are employed under those conditions and so higher payments to Grey Book employees would potentially expose the Authority to indirect discrimination claims. The level of payment in respect of any individual is calculated based upon their age and length of service.
11. The Authority can now consider voluntary termination through the use of a Settlement Agreement for all staff who wish to leave the Service and defer their Pension until their normal retirement age. What the legal advice does not allow is for the Authority to grant enhanced Early Retirement for firefighters. It does however have the discretion to consider enhanced early retirement for staff in the LGPS.
12. The first £30,000 of any Settlement Agreement would be tax free.
13. In line with the Authority policy for consideration of any voluntary severance or early retirement application there is a need to develop a full business case that ensures that any such approach delivers value for money and protects the public purse,

Next Stages

14. Members will note that elsewhere on the agenda is the latest quarterly Financial Review.. That report identifies that the retirement rates of firefighters has progressed in line with forecasts and the Authority is slightly ahead of where it had planned to be in delivering savings from staff reductions. Once the Authority moves beyond 2015/16 the number of expected retirements increases significantly and members will recall that even if the Authority has to make further savings, there will still be a need to recruit significant numbers of firefighters in the mid-term and certainly by the mid 2020's.
15. Having examined the applications made it has not been possible to establish a financial business case to support the use of Voluntary Severance at this time.
16. Those Employees who have already expressed an interest will be advised that their application has been registered but it will not be progressed at this time.
17. Whilst there is no business case for the use of the option at this time it is considered that voluntary severance may be of use in certain circumstances in the future and that this option should be available to officers to use in the same way delegated authority is granted regarding non-firefighting staff (subject to a business case.)

18. Members have approved a process the use of VER/VS for staff that involved the preparation of a detailed business case with a positive net present value to the Authority (the net present value is the net total saving after taking account of the severance/retirement costs). Any such business case has to be signed off by the Treasurer, Clerk and the Chief Fire Officer.

Additional Considerations

19. The Authority in considering its workforce and age profile also has to take cognisance of its succession planning and development strategies. Whilst the early release of Grey Book employees would have an immediate impact on the budgetary planning process, the Authority cannot afford to disregard the potential loss of knowledge and skills of such an exercise, and so the ability to solely grant the applications of those employees who meet the criteria has to be measured against the potential loss of skills, and the age profile of the remaining workforce. The Chief Fire Officer will therefore give due consideration to the organisational impact of any Settlement Agreements should this option ultimately be utilised.

Equality and Diversity Implications

20. Any Settlement Agreement offer would be made on an equitable basis with LGPS employees, and open to all employees to apply.
21. Approval of each application will be based purely on financial viability, and consequently have no discriminatory bias.

Staff Implications

22. Whilst the Authority seeks to review its numbers in light of the budgetary challenges, it must also ensure it retains sufficient knowledge within its workforce so each application will be considered appropriately in line with transparent criteria. There is no compulsion on our employees to accept any offer made; they can withdraw at any time prior to reaching a formal agreement.

Legal Implications

23. The Fire and Rescue Services Act 2004 section 5A(1) provides that:

A relevant fire and rescue authority may do

- a) Anything it considers appropriate for the purposes of the carrying-out of any of its functions (its "functional purposes"),
- b) Anything it considers appropriate for purposes incidental to its functional purposes,

(c) Anything it considers appropriate for purposes indirectly incidental to its functional purposes through any number of removes,

(d) Anything it considers to be connected with-

(i) any of its functions, or

(ii) anything it may do under paragraph (a), (b) or (c), and

(e) For a commercial purpose anything which it may do under any of paragraphs (a) to (d) otherwise than for a commercial purpose.

24. The legal advice received, enables the Authority to make offers of voluntary severance to certain Grey Book employees using the powers contained in section 5A(1) of the Fire and Rescue Services Act 2004.
25. The processes and documentation to be adopted are in line with those previously agreed by the Authority

Financial Implications & Value for Money

26. Because firefighting can be viewed as a generic role the Authority is achieving the required reduction in firefighter posts by using natural turnover rates. This is slightly different from non-uniformed staff that have left under VER/VS since in those instances their actual posts are deleted or their teams restructured to deliver savings. There is a direct correlation between the person leaving the organisation and the saving arising.

In this instance the saving gained through the VS mechanism only represents the marginal gain in time by which the Authority achieves its required establishment levels much quicker.

27. The establishment is currently 764 posts. The financial plan assumes savings of £3.5m from up to four proposed mergers or station closures. If the Authority makes a decision to approve these following consideration of the consultation process this would not be achieved until mid-2015/16. In the meantime the Authority has planned to use reserves to manage the transition. Post 2015/16 further cuts in public spending are expected. Based on some initial modelling using Local Government Association (LGA) assumptions it is possible that the Authority may only be able to afford as few as 500 wholetime firefighters by 2020. Whilst retirement rates are moderate it will still take several years to reach that total. At this time however natural retirement rates are considered to be sufficient to deliver savings and therefore a business case cannot be developed for the individuals who have applied.
28. For any staff who left under voluntary severance and do not qualify for an immediate pension there will also be a saving to the public purse. This will be due to the fact that the pension accrued is deferred and payable at age 60 instead of earlier.

Risk Management, Health & Safety, and Environmental Implications

29. None contained within this report.

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

30. The proposed action ensures that each employee is treated fairly, and within a transparent process that enables them to make a valid decision in relation to their future employment.

31. It also offers the Authority another option to make the savings required by the Comprehensive Spending Review, whilst continuing to avoid compulsory redundancies

BACKGROUND PAPERS

GLOSSARY OF TERMS

MERSEYSIDE FIRE & RESCUE AUTHORITY			
MEETING OF THE:	POLICY AND RESOURCES COMMITTEE		
DATE:	27 NOVEMBER 2014	REPORT NO:	CFO/112/14
PRESENTING OFFICER	DCFO GARRIGAN		
RESPONSIBLE OFFICER:	LYNN HUGHES	REPORT AUTHOR:	LYNN HUGHES
OFFICERS CONSULTED:	NICK MERNOCK, DEB APPLETON, MYLES PLATT		
TITLE OF REPORT:	INTRODUCTION OF APPRENTICESHIPS		

APPENDICES:	APPENDIX A:	APPRENTICESHIP JOURNEY
	APPENDIX B:	APPRENTICESHIP PROGRESSION ROUTES

Purpose of Report

1. To request that Members approve the introduction of workplace apprenticeships within the Service.

Recommendation

2. That Members Approve the introduction of 6 apprenticeships within the Prevention function.

Introduction and Background

3. An apprenticeship is a job with an accompanying skills development programme designed by employers in the sector. It allows the apprentice to gain technical knowledge and real practical experience along with personal skills required for their immediate job and future career. This includes skills in Maths, English, ICT as well as thinking skills such as self-management and independent enquiry. A typical apprenticeship lasts approximately 12 months.
4. Apprenticeships are a high priority for the Government and are one of the ways of tackling unemployment amongst 16-24 year olds. There are significant benefits for employers and apprentices, including increased level of staff motivation and loyalty levels as well as the ability to harness talent.
5. An apprenticeship for the role of Community Safety Advisor enables the Service to provide a comprehensive training scheme which embeds organisation values. Appendix 1 outlines the apprenticeship framework and a detailed account of the apprenticeship journey. There are a number of progression routes following the conclusion of the Community safety Advisor apprenticeship including the potential to undertake further level 3 apprenticeships in Firefighting or Protection roles, employment as a

community Safety Advisor/Advocate or leaving the Service having gained valuable experience and a qualification. Appendix 2 outlines the progression routes. The apprenticeship would be facilitated through a local training provider who would draw down the funding for off the job training.

6. The Government have recently introduced traineeships as a pre apprenticeship for young people. They are designed to provide young people with employability skills prior to commencing an apprenticeship. They combine work experience with off the job training which are not paid. This gives the Service an opportunity to assist young people into employment whilst providing an opportunity for us to select the most suitable apprentice. This is an avenue the Service could explore if the Authority approves the introduction of apprenticeships and after they then become embedded across the Service.

Equality and Diversity Implications

7. The apprenticeships would be advertised in an open and transparent way through the National Apprenticeship Service (NAS). They would be selected on the basis of a competency framework as well as the Authority's values. The scheme also raises awareness from underrepresented groups as a career of choice offering a broad range of opportunities.

Staff Implications

8. Apprenticeships enable the Authority to build on the work undertaken thus far with young people through programmes such as Fire Cadets, Princes Trust, Work Experience and Beacon. Existing staff would be required to deliver some of the apprenticeship training as well as offer support and guidance. There is also a requirement to assess competence in the workplace. This would be achieved through a partnership between the host department and the People and Organisational Department.
9. The apprenticeship provides an opportunity to bring talent into the organisation and assess their suitability for other roles such as operational Firefighters and Protection staff. Appendix 2 lists progression routes.

Legal Implications

10. Apprentices will be fully inducted to ensure compliance with all legislation including data protection, health and safety and equality legislation.
11. Apprentices would require vetting and DSB checks.

Financial Implications & Value for Money

12. Apprenticeships would be employees of the organisation and must be paid at least the appropriate national minimum wage. It is recommended that they should be paid £140 per week taking into consideration the advice from NAS. With on costs and uniform it is expected that in total apprenticeships would

cost the Service £41,000. Depending on a range of factors the organisation is likely to draw down £24,000. The costs will be met from the current Prevention budget and will align to the 2020 vision for prevention.

- 13 Training costs are small and are covered in most instances depending on the age of the apprentice. Funding is drawn down from a Training provider who will deliver aspects of the training as well as ensure compliance with OFSTED criteria.

Risk Management, Health & Safety, and Environmental Implications

- 14 Risks will be mitigated through a number of procedures such as induction training, lone working policies and direct supervision.

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

- 15 The apprentices will contribute by making a positive difference to the community in the roles of prevention. By offering meaningful opportunities to young people the service continues to support our communities.

BACKGROUND PAPERS

CFO/111/11 If this report follows on from another, list the previous report(s)

GLOSSARY OF TERMS

MFRA	M erseyside F ire and R escue A uthority is the physical and legal entity. When writing reports MFRA is the “object”.
MFRS	M erseyside F ire and R escue S ervice is the service provided by MFRA. When writing reports MFRS is the “action”
E.G.	You are employed by the Authority (MFRA). The job you do forms part of the Service (MFRS) provided by the Authority (MFRA). If in doubt use MFRA.
NAS	National Apprenticeship Service

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Apprenticeships

Introduction

Apprenticeships provide a real opportunity to build upon the work we do with young people by offering meaningful employment opportunities. As an employer of choice we are in a position to engage young people in a core area of our business to positively impact on the community.

Merseyside Fire and Rescue Service employ 26 Advocates making a significant difference in the Community through involvement in a range of activities such as safety in the home, in the community and on the road.

Recognising the significance and contribution that Advocates make CFOA- National Occupational Group commissioned a working group to develop a qualification framework that provide underpinning knowledge of the role as well as a competence qualification to test workplace performance. This could be utilised for existing staff as well as provided a framework to recruit and train apprentices. MFRS were actively involved in building the framework and explored the development of apprenticeships.

There are a number of vacancies in Prevention which will fund 6 apprenticeship posts giving the organisation an opportunity to determine the suitability of applicants for the long term.

This is an exciting departure which combines our experience of working with young people and an opportunity to shape our recruitment strategy and talent management process. A Project Board has been established to provide governance consisting key members of POD and Prevention.

An apprenticeship is a job with an accompanying skills development programme designed by employers in the sector .It allows the apprentice to gain knowledge and real practical experience along with personal skills required for their immediate job and future career.

Business Case for Apprenticeships.

There are a wide range of views of the benefits of apprenticeships to employers.

- Because apprenticeships are based in the workplace employers get the skills they really need. They are vital to the future success, not only of business across the country but also for a vibrant economy. **British Chamber of Commerce**

- Expand and improve the quality of the apprenticeships programme which would build an international complete skills base and promote more opportunities for individuals to realise their potential. **Department of Business and Innovation**
- Apprenticeships deliver work for young people and adults, enabling them to earn while they learn in a real job gaining a real qualification and a real future. They help businesses grow their own talent. **Skills Minister**

The Learning and Skills Council surveyed businesses on the benefits of hiring an apprentice. This highlighted a number of benefits:

-Better motivated staff and increased job satisfaction

-Apprentices tend to be more loyal, remaining at their company longer than non-apprentices.

Recruitment and Selection

The process will involve the following steps;

Advert – National Apprenticeship Service website



Shortlisting/ Diagnostic assessments (provider led)



Selection (MFRS)



12 months Training programme

Costs of an apprenticeship

The National Apprenticeships Service (NAS) will fund;

16-18 year olds 100% of the training costs (anyone taken before their 19th birthday will be eligible to receive this training)

19-24 years olds will receive 60% of their training cost from NAS; the remaining 40% is to be covered by the employer.

The partner Wirral Metropolitan College will deduct approximately 20% which covers administration costs, quality assurance and OFSTED inspections.

The apprentices will be paid a wage which is £140 per week.

Training and Support

Training will take place by the following means;

On the job: This will happen in the workplace. Apprentices will be managed by a District Prevention Manager and mentored by an experienced advocate. They will work towards a level 2 competence qualification in Community Safety assessed through an e-portfolio.

Off the job: This will take place at the Training and Development Academy and will be on average one day a week (Wednesday). The modules will be delivered by subject experts and follow the syllabus of the Community Safety knowledge qualification.

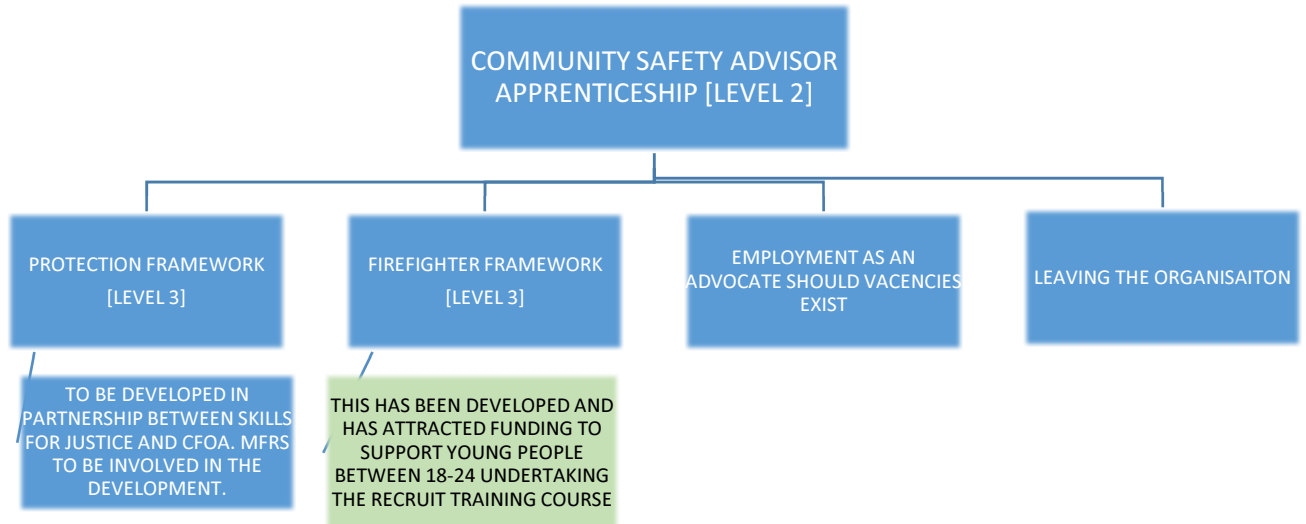
In addition to this apprentices will acquire key transferable skills such as problem solving, communication skills, decision making, customer care and team building.

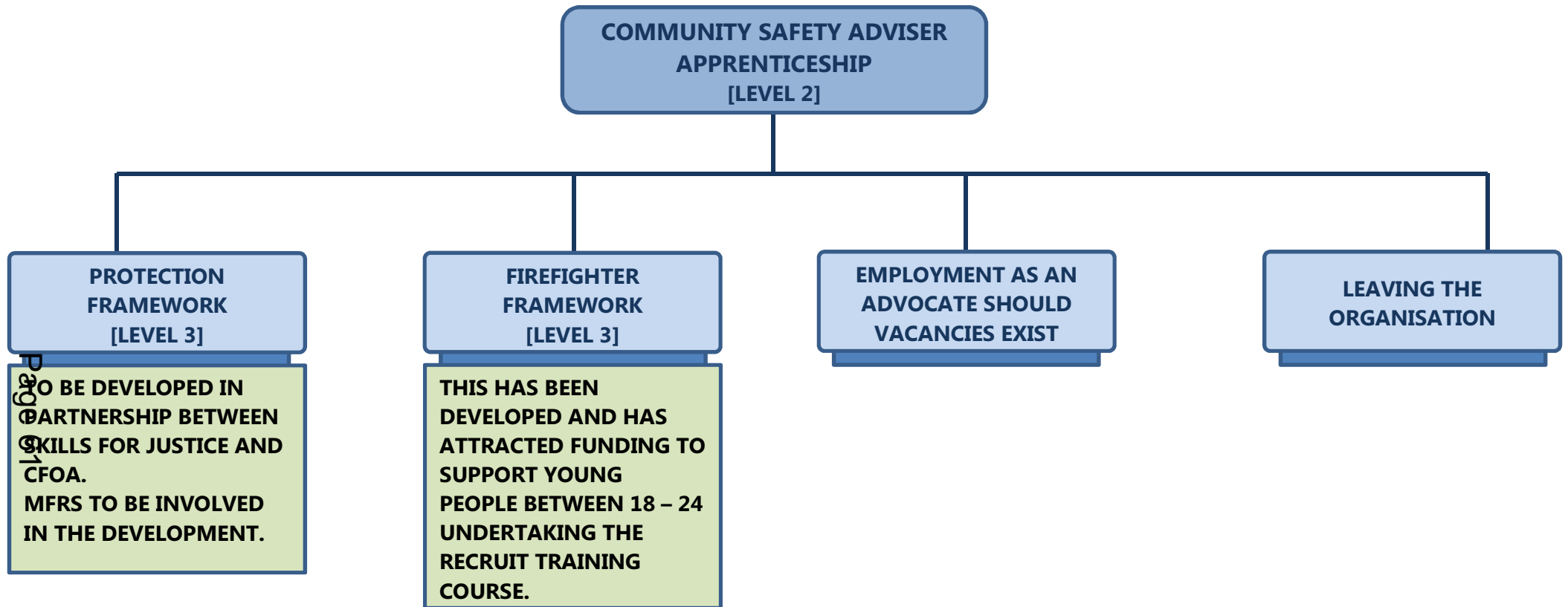
There will also be a residential in the Lake District.

If apprentices do not possess Level 1 qualification in English and Maths they will be required to undertake functional skills which will be delivered by the provider.

The qualification obtained at the end of the programme is Level 2 in Community Safety.

Opportunities





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MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	POLICY AND RESOURCES COMMITTEE		
DATE:	27 NOVEMBER 2014	REPORT NO:	CFO/115/14
PRESENTING OFFICER	DEPUTY CHIEF EXECUTIVE, KIERAN TIMMINS		
RESPONSIBLE OFFICER:	KIERAN TIMMINS, NYREE COLLINSON	REPORT AUTHOR:	KIERAN TIMMINS
OFFICERS CONSULTED:			
TITLE OF REPORT:	MERSEYSIDE POLICE ESTATE STRATEGY		

APPENDICES:	APPENDIX A: APPENDIX B: APPENDIX C	POLICE ESTATES STRATEGY PROPOSED RESPONSE MFRS AND MERSEYSIDE POLICE PROPERTY LOCATIONS
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Purpose of Report

1. To inform Members of the publication of the Police Estates Strategy (which can be found at Appendix A to this report)

Recommendation

2. That Members note the attached Estates Strategy report from the Police & Crime Commissioner's Office and the proposed response in Appendix B to this report.

Introduction and Background

3. The Merseyside Police and Crime Commissioner has issued a public consultation on Merseyside Police Force's Estates Strategy (at Appendix A).
4. A proposed response to this consultation is attached as Appendix B.

Equality and Diversity Implications

5. Modern buildings provide effective access for all.

Staff Implications

6. There are no staff implications arising from this report.

Legal Implications

7. There are no legal implications arising from this report.

Financial Implications & Value for Money

8. Sharing resources effectively can save money.

Risk Management, Health & Safety, and Environmental Implications

9. There are no Risk Management, Health & Safety or Environmental Implications arising from this report.

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

10. Working with Blue Light partners helps keep Merseyside safer.

BACKGROUND PAPERS

GLOSSARY OF TERMS

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fighting crime
protecting communities



POLICE COMMISSIONER

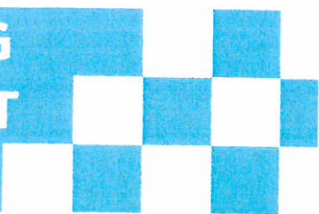
Working For Merseyside



We're committed to providing accessible policing for every community

Just one of the steps we're taking

**TAKING
THE RIGHT
STEPS.COM**



Foreword

“

I believe that a successful, high performing police service never stands still. If we want to keep Merseyside one of the safest places in the UK to live in or visit, we need to ensure that we make the right long term decisions.”

Every police force in the country has had to adapt to recent budgetary challenges, but it's the way we adapt to them that will make all the difference.

Despite the austerity measures, the Chief Constable and I are committed to providing accessible policing right at the heart of every community. I want to take this opportunity to move things forward; to focus our resources on maintaining a real and dynamic police presence right on your doorstep.

That's why we're starting a consultation process which will give every resident in Merseyside the opportunity to get involved.

First of all, we need to acknowledge that times have changed and the way that people use the police service has changed.

With this in mind, we have recently developed an Estate Strategy – a review of police buildings, their use and location.

We've developed this strategy because over the past few decades new neighbourhoods have emerged as many residents have relocated, which means that some of our police stations are no longer in the heart of our communities, where they are needed most.

At the same time, the number of people who actually visit police stations is reducing because many people now prefer to contact the police by phone or online.

Another impact of recent cuts has been that up to 60% of the space in some police stations is now empty or under-utilised.

We believe we can save money by improving the way we operate; replacing poorly located and inefficient buildings with a more efficient service fit for 21st Century policing.

We can create more accessible policing by co-locating with partners to maximise our neighbourhood presence and targeting resources to meet the ever-changing needs of our communities.

In short, we need to take the right steps now.

And we want you right here alongside us, playing an active role in our future.

Jane Kennedy

Merseyside Police and Crime Commissioner

Our Estate Strategy explained

Why the steps we're taking are so important

The recent and ongoing austerity measures have significantly affected every police force across the UK. Merseyside Police is no exception.

The cutbacks have presented us with many challenges; but they have also presented us with opportunities which will enable us to commence a fundamental, far-reaching and long-lasting transformation of **our police estate – the buildings we occupy and conduct our police service from right across Merseyside.**

As this Estate Strategy will clearly show, we are committed to providing accessible policing for every community.

We aim to improve efficiency by reducing maintenance and lease costs and co-locating police teams in our communities.

Co-locating will mean sharing some buildings with partner or community services, which will make our service more cost effective – enabling us to keep bobbies on the beat.

The changes we're planning are important to protect frontline policing, but your opinions and those of every single member of our communities are important too.

That's why we would like as many people as possible to play an active role in this consultation, so everyone will be aware of the reasons behind those decisions and see just how every community will benefit in the long term.

By supporting the Police and Crime Plan, we will be able to enhance the operational effectiveness of the police estate, improve our environmental impact and work more closely with the communities of Merseyside.

What is the police estate?

78 police buildings across the whole of Merseyside

60 % of buildings were built between 1900 and 1970

24 % of space is taken up with toilets, corridors, plant rooms and circulation areas

32 % of total floor area is usable office space

These are the right steps for the people of Merseyside.

And the right steps for the future of your police service.

A smiling police officer in uniform, wearing a black bowler hat with a checkered band, a white short-sleeved shirt, a checkered tie, and dark trousers with a duty belt. The officer is standing outdoors with trees and a street lamp in the background.

16%

of total staff lost due to
austerity since 2011

60%

of space in some police stations
is empty or under-utilised

£2.5m

savings we will make each
year. This equates to at least
65 officers on the beat

The Key Issues

The impact of the spending cuts

Since the spending cuts began, we have lost 1,100 police officers, police community support officers and staff, a reduction of 16%. By 2017, confirmed austerity will have led to police officer numbers alone being reduced by 22%. This has led to some buildings becoming empty or under-utilised.

Issue of wasted space

Due to the age of the estate, the layout and building designs are often inefficient by modern standards; over 26,000m² or 24% is taken up with corridors, mechanical plant rooms and circulation areas. In a modern estate, that would be nearer 10%. The reduction in officer and staff numbers means that some buildings are under-utilised by as much as 60%. There is potential to reduce overall space by reallocating resources without impacting on operational areas.

The problems of an ageing estate

The current police estate is unsustainable; there are some 78 buildings covering a combined floor area of circa 110,000m². It costs approximately £12million to run and maintain these buildings every year.



The average age of our buildings is 52 years and in fact, some of the buildings we occupy date as far back as 1890 which means that the estate requires constant funding to ensure that it remains operational.

Adapting to geographical factors

The past few decades have seen a significant geographical shift in housing and population.

Urban regeneration and suburban development has meant that some police stations are no longer right at the heart of communities. This is because the communities themselves have moved to new, thriving estates.

Responding to the changing ways people use our service

The way that residents are using the police service continues to evolve, with many people preferring to contact us, report suspicious activity or access our services by phone or online rather than calling into the stations themselves.

In 1974, when Merseyside Police was formed, we received 192,752 calls. Last year, our call handlers took more than 830,100 calls.

The need for future sustainability

In some locations, existing heat and ventilation systems are woefully lacking in fulfilling our energy efficiency and environmental obligations. There is a pressing need to reduce both energy consumption and our carbon footprint.

A focus on future sustainability is required to reduce costs, increase efficiency and ensure legal compliance.

The Estate Strategy

The Proposed Solution

The overall objective is to deliver on our promise to provide accessible policing for every community. The steps we're taking will ensure our estate is not only fit for purpose today, but fit for the future too.

The Estate Strategy aims to deliver new and refurbished accommodation which will facilitate modern ways of working, effective partnerships, efficiency improvements and increased flexibility and mobility. It includes:

- The requirement to adapt the estate to meet the challenges of austerity measures
- The need to identify inefficient space and develop open plan flexible working to maximise space usage
- The co-location of services to facilitate improved operational effectiveness and efficiency
- The development of appropriate accommodation for each area and corporate functions
- Resolving maintenance issues within the existing estate and those required in the immediate future
- The consideration of commercial opportunities to maximise potential value in the estate whilst providing fit for purpose, affordable alternatives
- The need to explore opportunities for collaboration with partners, other agencies and developers through re-generation and development initiatives
- The use of more energy efficient building design, via thermal insulation, protection from solar gain, green energy initiatives and zoning of heating and lighting installations

Core Principles:

Affordability:

All solutions will be fully costed with tangible benefits – delivering a significant reduction in running, maintenance and lease costs across the estate

Co-location:

Functions and departments will be co-located where possible in refurbished or new, efficient accommodation

Maintenance first:

All larger maintenance issues relating to essential buildings will be addressed

Resource management:

The full potential of existing buildings will be fully realised

Accessibility:

Community Police Stations will be at the heart of communities and each community served by a station will have access to officers on the beat

Focus on the future:

Improve efficiency with an estate that is ready to meet future challenges

Sustainability:

Local social and economic value principles will be applied and all buildings will be fully assessed against key sustainability criteria to ensure environmental and legal compliance, whilst delivering real cost efficiencies

Feasibility:

All property solutions will support

The Estate Strategy in detail

To provide the flexible, accessible policing our neighbourhoods need, this strategy will create more efficient buildings, generate opportunities to co-locate with partners and extend collaborative working.

The Estate Strategy will result in:

- The refurbishment and utilisation of existing buildings where possible, maximising the current estate, or providing new buildings with more efficient office and storage space at the heart of our communities
- Identifying and developing commercial opportunities that will create capital for further investment in the estate
- A major refurbishment of at least one large station in each area, creating a headquarters to accommodate office-based functions and a neighbourhood team in a location that is fit for purpose
- Accommodating neighbourhood and patrol staff, either by co-locating or disposing of existing buildings to provide new, better located facilities
- Developing Community Police Stations to support neighbourhood policing in locations where older stations are in the wrong areas or are no longer suitable. These will give police officers and police community support officers a real base in each community where they can meet the public and operate more effectively
- Building a new Operational Command Centre for the Matrix Serious and Organised Crime portfolio (releasing leased accommodation) and implementing essential refurbishments to Merseyside Police Headquarters
- Delivering real savings via the release of a number of leased properties, presently costing in excess of £1million each year and reducing the overall number of buildings in the portfolio

The Police Commissioner's focus on accessible policing will create a real and visible police presence right across Merseyside



Proposed Merseyside Estate

The maps on this page show the proposed changes to the Merseyside Police Estate and the planned locations of each area's new Neighbourhood and Patrol Hub and Community Police Stations



Custody provision is under review across the Force

Merseyside Estate key:

- ▲ Merseyside Police Headquarters
- ▲ Area HQ
- 📍 Police and Crime Commissioner
- Custody Suite
- Police Station
- Community Police Station
- ◆ Neighbourhood and Patrol Hub
- ◆ New Neighbourhood and Patrol Hub
- ★ General Enquiry Office
- Corporate Estate
- New Operational Command Centre
- Multi-purpose Police Location
- ▣ Co-located Community Police Station

Merseyside Police Estate:

- Merseyside Police is divided into five areas, varying in size but sharing key objectives, each overseen by a Chief Superintendent
- Each area corresponds with a local authority and, under these proposals, will comprise of an Area Headquarters and at least one new Neighbourhood and Patrol Hub, as well as new Community Police Stations

Area HQ:

- The strategy includes the major refurbishment of one police station in each area to become an Area Headquarters, providing a central base for the Command Teams, desk-based functions, Neighbourhood teams and a General Enquiry Office
- Co-location and centralisation will increase opportunities to exchange information and share resource, reducing travel time, making police time more productive and releasing space leading to greater cost efficiencies

Neighbourhood and Patrol Hubs:

- Neighbourhood and Patrol Officers will benefit from a more open-plan style building with a small number of support spaces for agile working

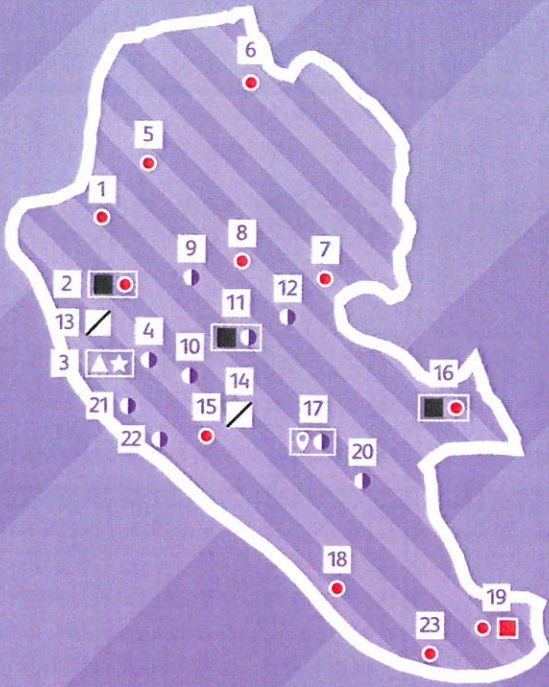
- Existing buildings will be adapted or their commercial value will be capitalised on by replacing them with more fit for purpose facilities

Community Police Stations:

- This strategy includes the expansion of the Community Police Station network, following in the footsteps of those successfully established in St Helens
- These will be smaller in size but enable Neighbourhood Officers and PCSOs to work in the heart of the communities
- Will involve co-locating with partners and other agencies to benefit from cost efficiencies

Corporate Estate:

- This serves the whole Force and includes Matrix Serious and Organised Crime, Corporate Criminal Justice, Resource Directorate and Strategy Development
- Accommodation was previously leased to house some of these services; a temporary 'shortfall' solution while this Estate Strategy was developed
- The proposed solution will redirect this lease money to create a new Operational Command Centre, refurbish Merseyside Police Headquarters and Smithdown Lane Office, extend the garage facility, as well as refurbishing the mounted and dog sections



Liverpool:

- | | |
|-----------------------------------|---------------------------|
| 1. Stanley Road | 13. St Johns Access Point |
| 2. St Anne Street | 14. Granby Street |
| 3. Merseyside Police Headquarters | 15. Admiral Street |
| 4. Copperas Hill | 16. Belle Vale |
| 5. Walton Lane | 17. Allerton |
| 6. Lower lane | 18. Garston |
| 7. Eaton Road | 19. Speke |
| 8. Tuebrook | 20. Mather Avenue |
| 9. Famworth | 21. Mariners Wharf |
| 10. Smithdown Lane | 22. Century Buildings |
| 11. Wavertree Road | 23. Liverpool Airport |
| 12. Binns Road | |

i The merger of Liverpool North and South has delayed the progress of the Estate Strategy in this area. The Strategy for Liverpool will follow the same core principles as the rest of Merseyside. Merseyside Police Headquarters will remain in its current location and a new Operational Command Centre will be developed in Speke. These proposals will be released as soon as they are completed.

Knowsley:



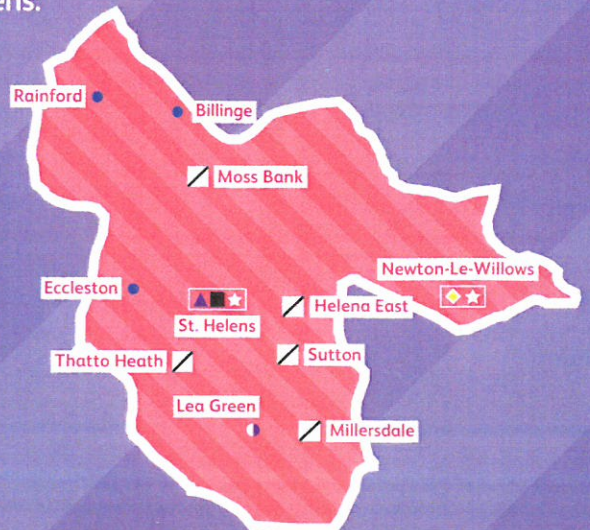
Sefton:



Wirral:



St Helens:



Playing your part in the consultation process

Over the course of the coming months, we will be touring Merseyside, talking to as many residents as we can about as many of the issues as we can, conducting community meetings which will outline what's happening in each area and in the wider community.

The times and dates for each of those meetings will be released on the website – takingtherightsteps.com

Inside your stakeholder pack, you will also find an area-specific map illustrating the current estate and the proposed changes for each area in more detail.

There are four ways in which you can get involved:



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Attend one of our Community Briefing Sessions

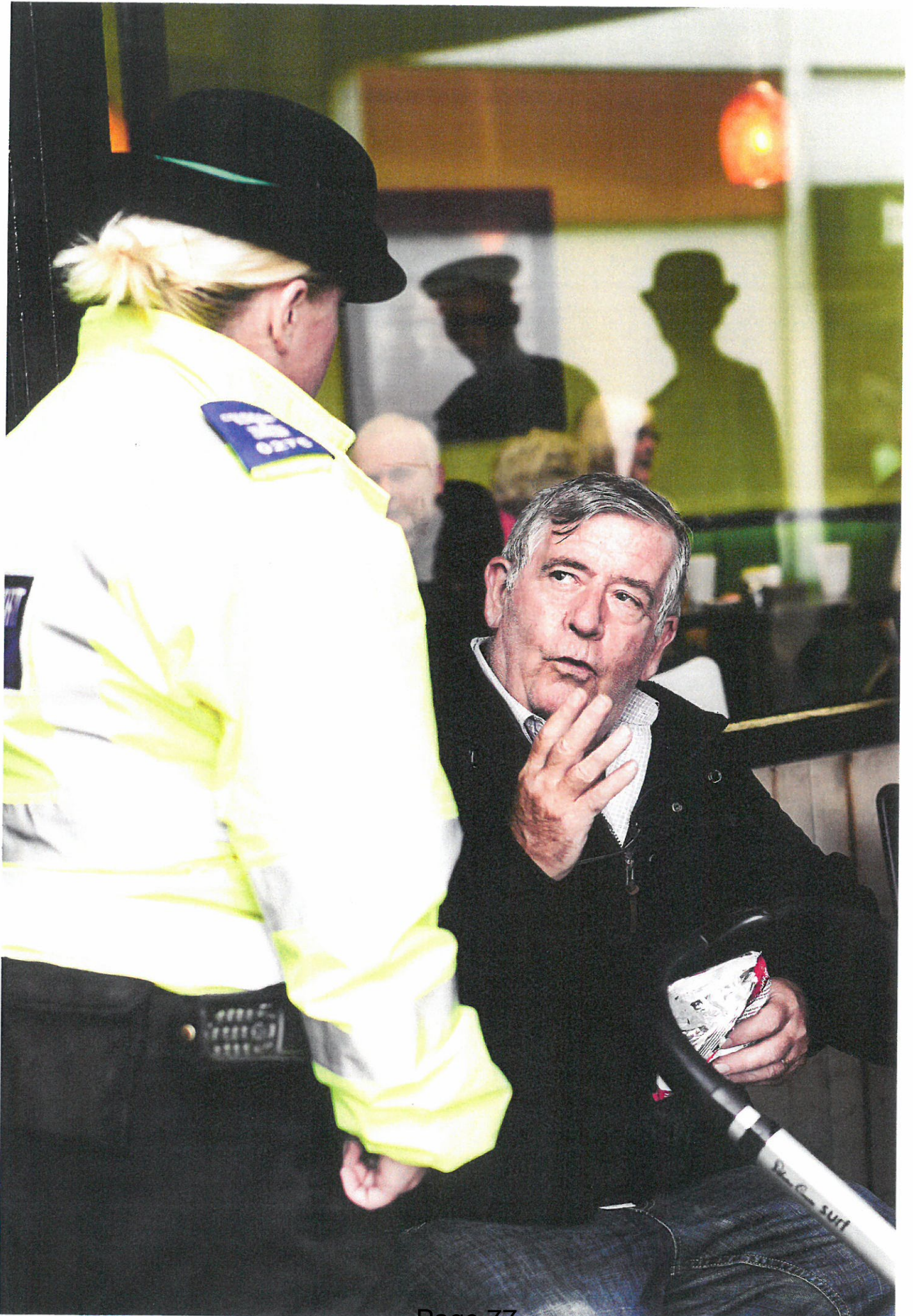


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Call **0151 777 5155** to order a form





Making it easy
for you to have
your say

Just one of the steps we're taking

The needs of communities across Merseyside are changing

But one thing that will never change is our absolute commitment to keeping police officers where they belong; right at the heart of the communities we serve.

That's why the central focus of this Estate Strategy is our 100% commitment to providing accessible policing for every neighbourhood.

We believe these are the right steps to take and this is the right time to take them.

But first, we'd like to hear the views of key stakeholders across Merseyside.

We look forward to speaking to you at one of our meetings.

We're committed to providing accessible policing for every community

The recent austerity measures have affected every police force across the UK. Merseyside will give you the opportunity to get involved.

Our aim is to save money and keep bobbies on the beat by providing accessible policing that our neighbourhoods need. The maps inside will show exactly how we intend to do this in the Liverpool area.

We're doing everything we can to protect the police service you depend on, but the fact is, we can't afford to keep old police buildings in their current state.

The cutbacks have presented us with many challenges, but they have also presented us with the opportunity to transform our police estate – across Merseyside.

The maps inside will show exactly how we intend to do this in the Liverpool area.

Ensuring your police service is ready to respond and ready for the future too

- The requirement to adapt the estate to meet the challenges of austerity measures
 - The need to identify inefficient space and maximise space usage
 - The co-location of services to improve cost efficiency
 - The development of more suitable police accommodation
 - The use of more energy efficient building design
 - The pursuit of commercial opportunities to maximise potential value in the estate
 - The implementation of current and future maintenance issues
 - The need to explore collaboration opportunities with partners, other agencies and developers
- Our proposals are all about ensuring that your police service is not just fit for purpose today, but fit for the future too. It includes:

Directing police resources to places where they're needed the most

Over recent decades, some communities have moved or relocated, out of the towns, into the suburbs and onto new, thriving estates. But police stations have stayed where they've always been, so they're not always located where they're needed most.

At the same time, station visits have dropped because many people now prefer to call or contact us online.

Recent cutbacks have also meant the force has had to reduce in size, so some buildings are empty or underutilised, with up to 60% of space no longer occupied.

That's why it's time to prioritise essential police services over non-essential buildings, so we can keep police officers where they belong – right at the heart of the communities we serve.

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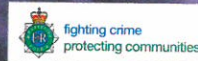
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Merseyside Police Our Estate Strategy Liverpool Map



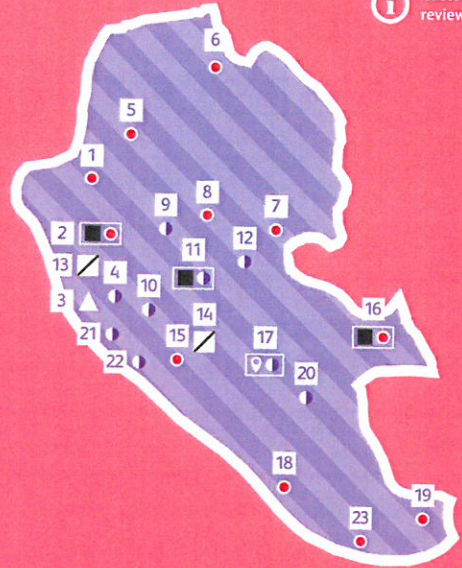
Our proposals

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Liverpool Before:

- ▲ Merseyside Police Headquarters
- Custody Suite
- Police Station
- 📍 Police and Crime Commissioner
- ◆ Corporate Estate
- Multi-purpose Police location
- 🏠 Co-located Community Police Station

i Custody provision is under review across the Force



Merseyside:



Liverpool Map Key:

- 1. Stanley Road
- 2. St Anne Street
- 3. Merseyside Police Headquarters
- 4. Copperas Hill
- 5. Walton Lane
- 6. Lower lane
- 7. Eaton Road
- 8. Tuebrook
- 9. Farnworth
- 10. Smithdown Lane
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- 20. Mather Avenue
- 21. Mariners Wharf
- 22. Century Buildings
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After the proposals

Core Principles:

Resource management:

The full potential of existing buildings will be fully realised

Affordability:

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Accessibility:

Community Police Stations will be at the heart of communities and each community served by a station will have access to officers on the beat

Focus on the future:

Improve efficiency with an estate that is ready to meet future challenges

Co-location:

Functions and departments will be co-located where possible in refurbished or new, efficient accommodation

Maintenance first:

All larger maintenance issues relating to essential buildings will be addressed

Feasibility:

All property solutions will support operational policing

Sustainability:

Local social and economic value principles will be applied and all buildings will be fully assessed against key sustainability criteria to ensure environmental and legal compliance, whilst delivering reduced efficiencies

Liverpool After:



Merseyside:



i The proposed future estate for Liverpool is still under review

- ▲ Merseyside Police Headquarters
- Custody Suite
- Police Station
- 📍 Police and Crime Commissioner
- ◆ Corporate Estate
- ★ General Enquiry Office
- Multi-purpose Police location
- 🏠 Co-located Community Police Station
- New Operational Command Centre

- The pursuit of commercial opportunities to maximise potential value in the estate
- The implementation of current and future maintenance issues
- The need to explore collaboration opportunities with partners, other agencies and developers
- The use of more energy efficient building design
- The development of more suitable police accommodation
- The co-location of services to improve cost efficiency
- The need to identify inefficient space and maximise space usage
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Our proposals are all about ensuring that your police service is not just fit for purpose today, but fit for the future too. It includes:

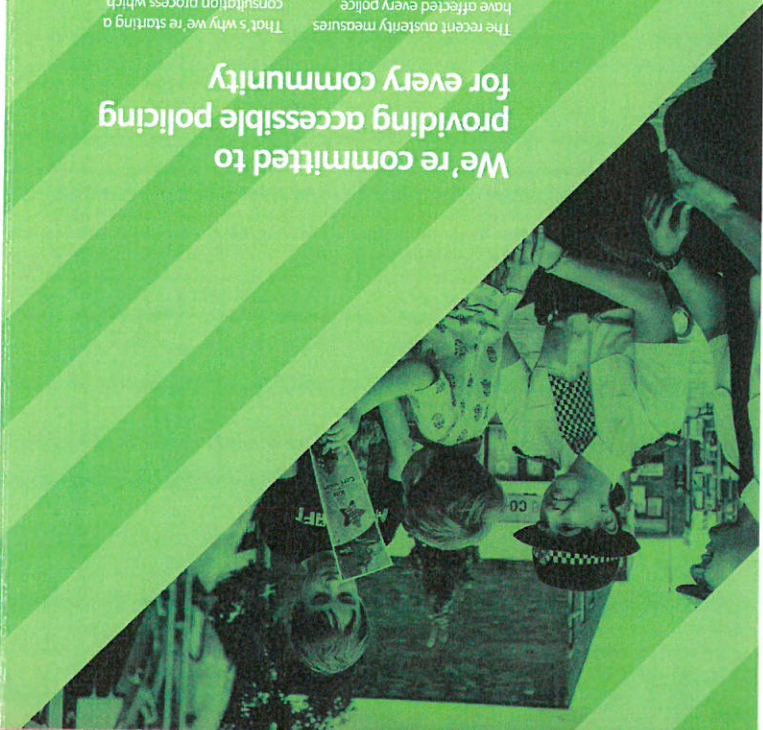
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Directing police resources to places where they're needed the most

The recent austerity measures have affected every police force across the UK. Merseyside will give you the opportunity to get involved. Our aim is to save money and keep bobble on the beat by providing accessible policing that our neighbourhoods need. The maps inside will show exactly how we intend to do this in the St Helens area. We're doing everything we can to protect the police service you depend on, but the fact is, we can't afford to keep old police buildings in their current state.

We're committed to providing accessible policing for every community



The needs of communities across Merseyside are changing

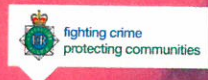
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Merseyside Police Our Estate Strategy St Helens Map





Our proposals

St Helens

- Option 1: Retain and refurbish to become Area Headquarters, General Enquiry Office, main Neighbourhood and Patrol Hub
- Option 2: Dispose and replace with a new Area Headquarters, General Enquiry Office, main Neighbourhood and Patrol Hub

Newton-le-Willows

- Dispose of current building and replace with Neighbourhood and Patrol Hub

Rainford, Billinge, Moss Bank, Millersdale, Tickle Ave, Eccleston

- Retain as Community Police Station or Co-located Community Police Station
- Relocate Tickle Avenue to Helena East

Sutton, Thatto Heath

- Replace with a co-located Community Police Station

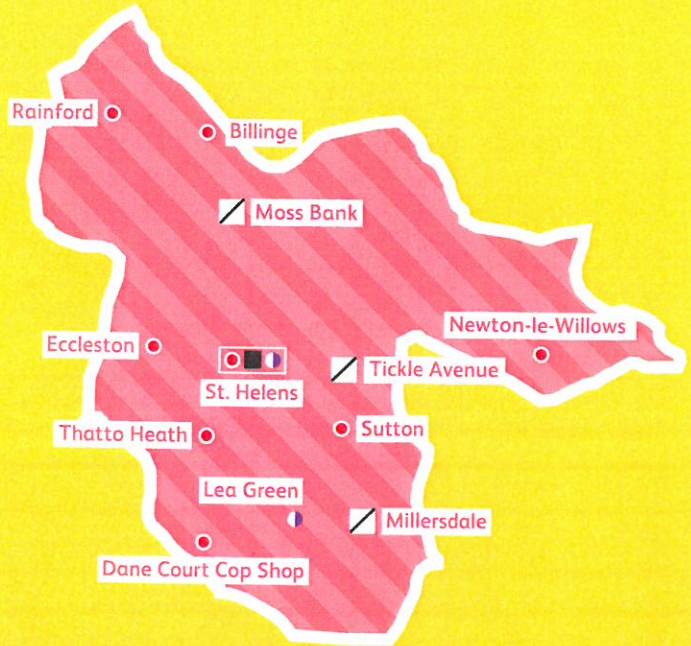
Central Street and Dane Court

- Surrender the lease for the Dane Court Cop Shop
- Surrender the lease for Central Street offices

Atlas House

- Multi Agency Strategic Hub remains based with Partners

St. Helens Before:



Merseyside:



i Custody provision is under review across the Force

- Custody Suite
- Police Station
- Multi-purpose Police Location
- ▨ Co-located Community Police Station
- ▴ Corporate Estate



After the proposals

Core Principles:

Resource management:

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Affordability:

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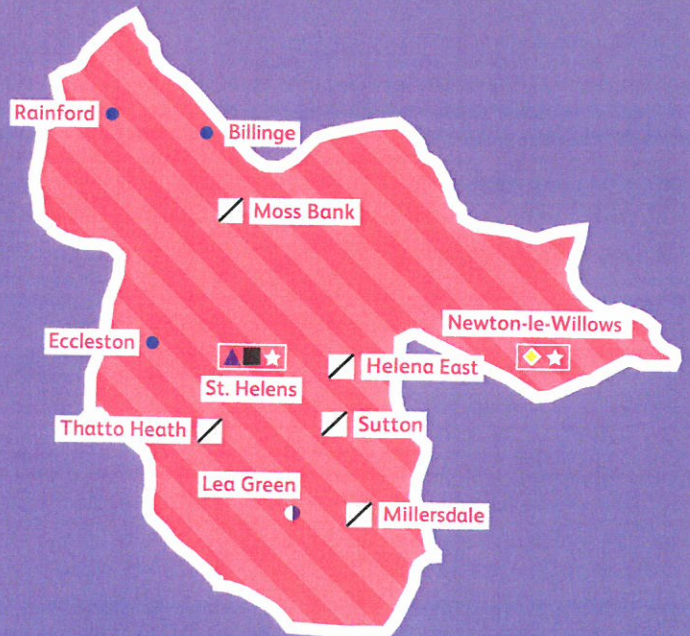
Feasibility:

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Sustainability:

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St. Helens After:



Merseyside:



- ▲ Area HQ
- Custody Suite
- ◆ New Newton-le-Willows Neighbourhood and Patrol Hub
- Community Police Station
- Multi-purpose Police Location
- ▨ Co-located Community Police Station
- ▴ Corporate Estate
- ★ General Enquiry Office

- The requirement to adapt the estate to meet the challenges of austerity
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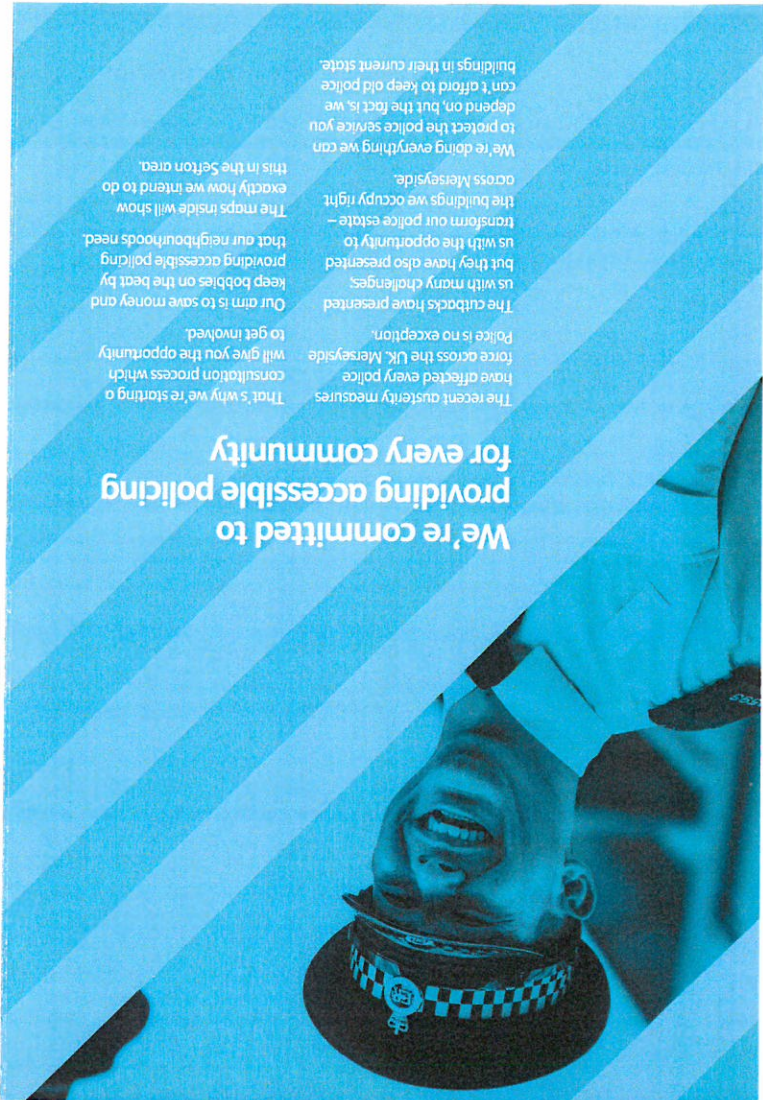
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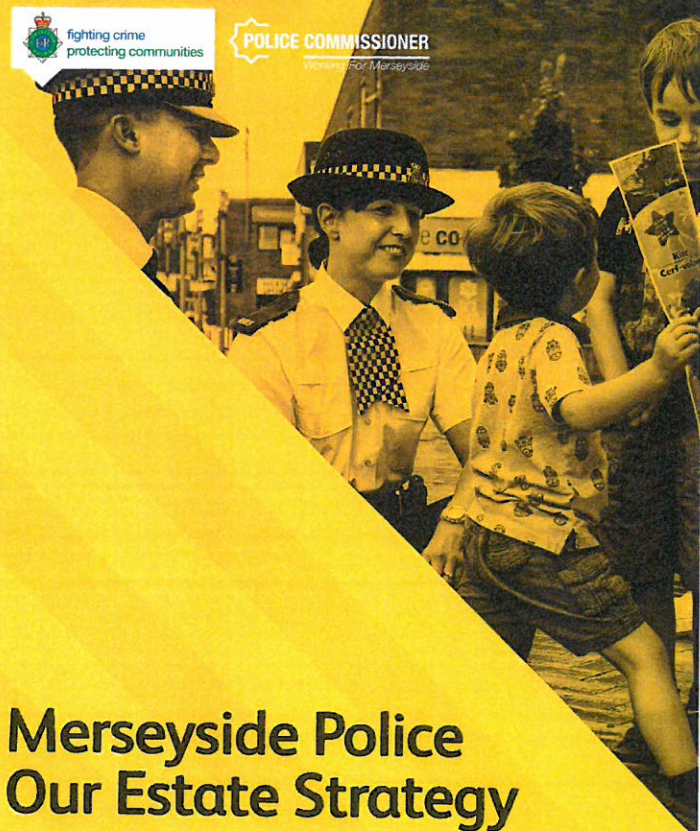
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Merseyside Police Our Estate Strategy Sefton Map



Our proposals

Marsh Lane

- Phased refurbishment of station to become Area Headquarters and accommodate Marsh Lane Neighbourhood and Patrol Hub

Southport/Formby/Ainsdale

- Develop new Neighbourhood and Patrol Hub for Southport and Formby. Dispose of both existing police stations and custody suite on completion
- Community Police Station with General Enquiry Office in Southport
- Community Police Station for Formby and Ainsdale and disposal of Ainsdale upon completion

Maghull

- Provide a Community Police Station replacement and dispose of existing police station
- Relocate Vehicle Fleet Management to new facility at Smithdown Lane

Crosby

- Provide a Community Police Station replacement and dispose of existing police station

Copy Lane

- Retain and refresh Copy Lane Police Station

Sefton Before:

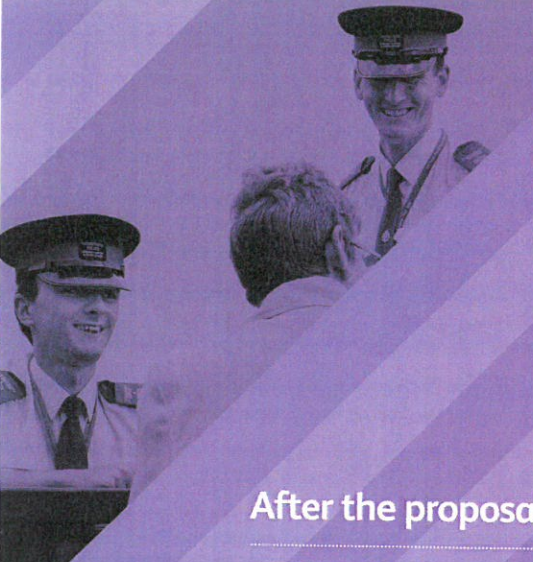


Merseyside:



i Custody provision is under review across the Force

- Custody Suite
- Police Station
- Multi-purpose Police Location
- ◆ Corporate Estate



After the proposals

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Sefton After:



Merseyside:



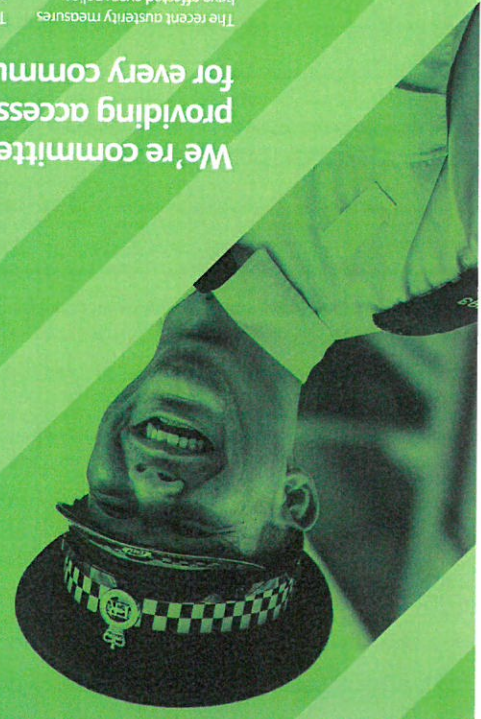
- ▲ Area HQ
- Custody Suite
- ◆ Neighbourhood and Patrol Hub
- ◇ New Southport Neighbourhood and Patrol Hub
- Community Police Station
- ★ General Enquiry Office
- Multi-purpose Police Location

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Our aim is to save money and keep bobbies on the beat by providing accessible policing but they have also presented us with the opportunity to transform our police estate – the maps inside will show exactly how we intend to do this in the Wirral area.

We're doing everything we can to protect the police service you depend on, but the fact is, we can't afford to keep old police buildings in their current state.



Ensuring your police service is ready to respond and ready for the future too

- The requirement to adapt the estate to meet the challenges of austerity
 - The need to identify inefficient space usage
 - The co-location of services to improve cost efficiency
 - The development of more suitable police accommodation
 - The use of more energy efficient building design
- Our proposals are all about ensuring that your police service is not just fit for purpose today, but fit for the future too. It includes:
- The pursuit of commercial opportunities to maximise potential value in the estate
 - Resolving current and future maintenance issues.
 - The need to explore collaboration opportunities with partners, other agencies and developers

Directing police resources to places where they're needed the most

Over recent decades, some communities have moved or relocated, out of the towns, into the suburbs and onto new, thriving estates. But police stations have stayed where they've always been, so they're not always located where they're needed most.

At the same time, station visits have dropped because many people now prefer to call or contact us online.

Recent cutbacks have also meant the force has had to reduce in size, so some buildings are empty or under utilised, with up to 60% of space no longer occupied.

That's why it's time to prioritise essential police services over non-essential buildings, so we can keep police officers where they belong – right at the heart of the communities we serve.

The needs of communities across Merseyside are changing

But one thing that will never change is our absolute commitment to keeping police officers where they belong; right at the heart of the communities we serve.

That's why the central focus of this Estate Strategy is our 100% commitment to providing accessible policing for every neighbourhood.

We believe these are the right steps to take and this is the right time to take them.

But first, we'd like to hear the views of key stakeholders across Merseyside.

We look forward to speaking to you at one of our meetings.

The next step

There are four ways in which you can get involved:

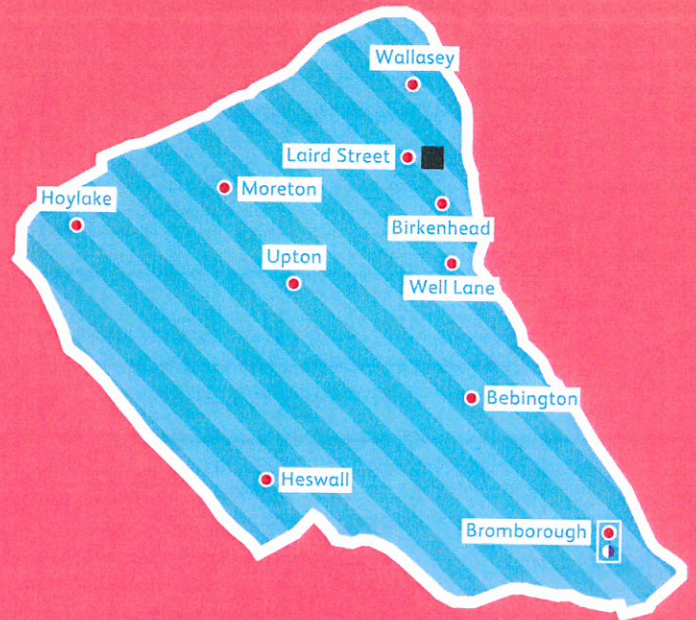
- Visit our website takingtherightsteps.com and simply complete the feedback form
- Attend one of our Community Briefing Sessions
- Complete a feedback form available at our public meetings or from the Office of the Police and Crime Commissioner at Allerton Police Station, Rose Lane, Allerton, L18 6JE
- Call 0151 777 5155 to order a form



Merseyside Police Our Estate Strategy Wirral Map



Wirral Before:



Our proposals

Wallasey

- Retain and refurbish to become Area Headquarters and accommodate Wallasey Neighbourhood and Patrol Hub

Birkenhead and Upton

- Develop new Neighbourhood and Patrol Hub and dispose of existing police stations on completion
- Community Police Station replacement in Upton
- Community Police Station replacement with General Enquiry Office in Birkenhead

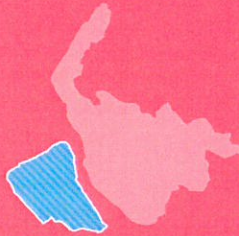
Bromborough and Bebington

- Retain and refurbish Bebington to become Neighbourhood and Patrol Hub replacement for Bromborough
- Dispose of Bromborough (retain corporate facility)

Heswall, Hoylake, Moreton, Well Lane and Laird Street

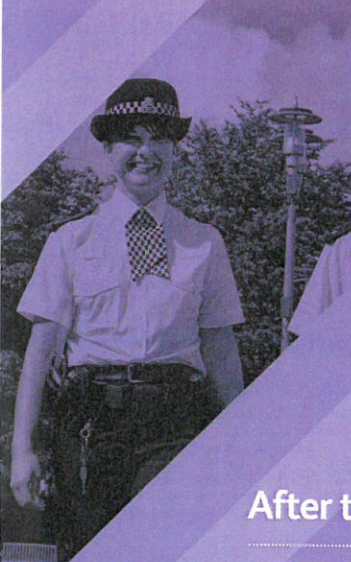
- Replace each with a Community Police Station and dispose of the existing police stations

Merseyside:



i Custody provision is under review across the Force

- Wirral Custody Suite
- Police Station
- ◆ Corporate Estate
- Multi-purpose Police Location



Wirral After:



After the proposals

Core Principles:

Resource management:

The full potential of existing buildings will be fully realised

Affordability:

All solutions will be fully costed with tangible benefits – delivering a significant reduction in running, maintenance and lease costs across the estate

Accessibility:

Community Police Stations will be at the heart of communities and each community served by a station will have access to officers on the beat

Focus on the future:

Improve efficiency with an estate that is ready to meet future challenges

Co-location:

Functions and departments will be co-located where possible in refurbished or new, efficient accommodation

Maintenance first:

All larger maintenance issues relating to essential buildings will be addressed

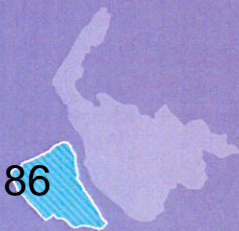
Feasibility:

All property solutions will support operational policing

Sustainability:

Local social and economic value principles will be applied and all buildings will be fully assessed against key sustainability criteria to ensure environmental and legal compliance, whilst delivering real cost efficiencies

Merseyside:

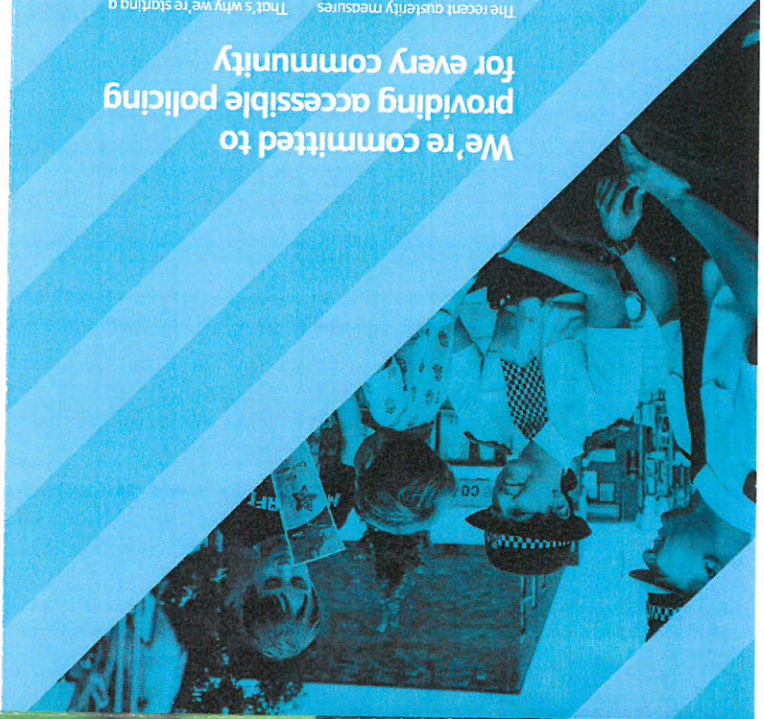


- ▲ Area HQ
- Wirral Custody Suite
- ◆ Neighbourhood and Patrol Hub
- ◆ New Upton & Birkenhead Neighbourhood and Patrol Hub
- Corporate Estate
- Community Police Station
- ★ General Enquiry Office
- Multi-purpose Police Location

We're committed to providing accessible policing for every community

The recent austerity measures have affected every police force across the UK. Merseyside is no exception. Police is no exception. The cubs have presented us with many challenges, but they have also presented us with the opportunity to transform our police estate – the buildings we occupy right across Merseyside. We're doing everything we can to protect the police service you depend on, but the fact is, we can't afford to keep old police buildings in their current state.

That's why we're starting a consultation process which will give you the opportunity to get involved. Our aim is to save money and keep bobbies on the beat by providing accessible policing that our neighbourhoods need. The maps inside will show exactly how we intend to do this in the Knowsley area.



Ensuring your police service is ready to respond and ready for the future too

- The requirement to adapt the estate to meet the challenges of austerity measures
 - The need to identify inefficient space and maximise space usage
 - The co-location of services to improve cost efficiency
 - The development of more suitable police accommodation
 - The use of more energy efficient building design
 - The pursuit of commercial opportunities to maximise potential value in the estate
 - The implementation of maintenance issues
 - The need to explore collaboration opportunities with partners, other agencies and developers
- Our proposals are all about ensuring that your police service is not just fit for purpose today, but fit for the future too. It includes:

Directing police resources to places where they're needed the most

Over recent decades, some communities have moved or relocated, out of the towns, into the suburbs and onto new, thriving estates. But police stations have stayed where they've always been, so they're not always located where they're needed most. At the same time, station visits have dropped because many people now prefer to call or contact us online. Recent cutbacks have also meant the force has had to reduce in size, so some buildings are empty or under utilised, with up to 60% of space no longer occupied.

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The needs of communities across Merseyside are changing

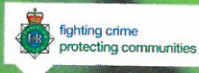
But one thing that will never change is our absolute commitment to keeping police officers where they belong; right at the heart of the communities we serve. That's why the central focus of this Estate Strategy is our 100% commitment to providing accessible policing for every neighbourhood.

We believe these are the right steps to take and this is the right time to take them. But first, we'd like to hear the views of key stakeholders across Merseyside. We look forward to speaking to you at one of our meetings.

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- Call 0151 777 5155 to order a form



Merseyside Police Our Estate Strategy Knowsley Map



Knowsley Before:



Our proposals

Huyton

- Refurbish former Magistrates Court and Huyton Police Station to provide Area Headquarters

Kirkby

- Develop new Neighbourhood and Patrol Hub with a General Enquiry Office
- Community Police Station replacement including a General Enquiry Office may be required in Kirkby, depending on location of new hub. Dispose of existing police station on completion

Prescot

- Community Police Station replacement for Prescot

Halewood

- Community Police Station replacement for Halewood, with parade on facilities for neighbourhood team

Stockbridge Village

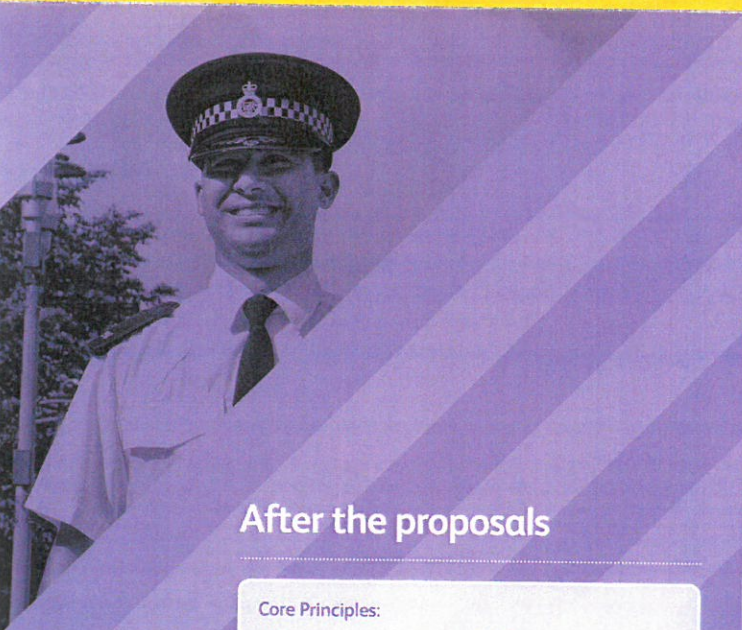
- Retain co-located Community Police Station

Merseyside:



i Custody provision is under review across the Force

- Police Station
- ▨ Co-located Community Police Station



After the proposals

Core Principles:

Resource management:

The full potential of existing buildings will be fully realised

Affordability:

All solutions will be fully costed with tangible benefits – delivering a significant reduction in running, maintenance and lease costs across the estate

Accessibility:

Community Police Stations will be at the heart of communities and each community served by a station will have access to officers on the beat

Focus on the future:

Improve efficiency with an estate that is ready to meet future challenges

Co-location:

Functions and departments will be co-located where possible in refurbished or new, efficient accommodation

Maintenance first:

All larger maintenance issues relating to essential buildings will be addressed

Feasibility:

All property solutions will support operational policing

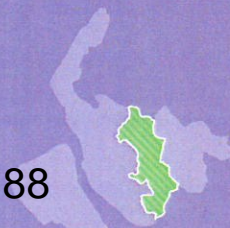
Sustainability:

Local social and economic value principles will be applied and all buildings will be fully assessed against key sustainability criteria to ensure environmental and legal compliance, whilst delivering real cost efficiencies

Knowsley After:



Merseyside:



- ▲ Area HQ
- ◆ New Kirkby Neighbourhood and Patrol Hub
- Community Police Station
- ★ General Enquiry Office
- ▨ Multi-purpose Police Location
- ▨ Co-located Community Police Station

Ms. Jane Kennedy,
Office of the Police and Crime Commissioner for Merseyside,
Allerton Police Station,
Rose Lane,
Liverpool
L18 6JE

Cllr D Hanratty,
Chair,
Merseyside Fire & Rescue Authority
Fire Service Headquarters
Bridle Road
Bootle
Liverpool
L30 4YD

Telephone: **0151 296 4000**
Email: davehanratty@merseyfire.gov.uk

Web Site: www.merseyfire.gov.uk

Your ref:

Our ref: Chair/DH/NDC

Date:

Dear Jane,

POLICE & CRIME COMMISSIONER'S CONSULTATION ON THE POLICE ESTATES STRATEGY

I write in relation to your consultation on your proposed Estates Strategy.

We both know there is a strong expectation around blue light partners working together, and that there are strong operational benefits to blue light colocation.

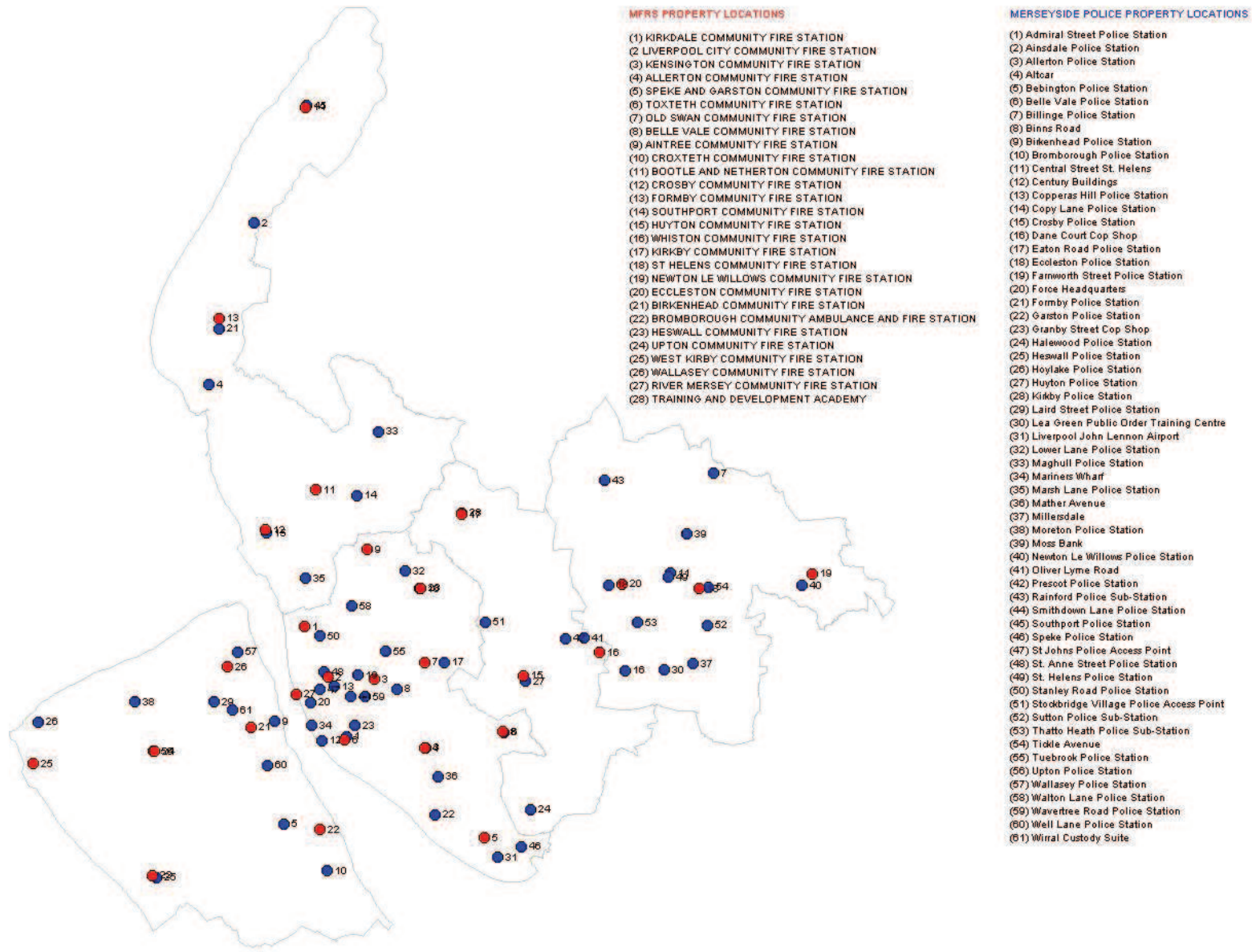
Building on strong joint working at JCC, I believe we should develop a formal strategic alliance to focus attention on police/fire colocations that can be achieved speedily. This could be progressed as a matter of urgency as these should be quick wins for the local tax payers.

I look forward to supporting you to deliver your strategy and for our services to jointly keep Merseyside safer.

Yours sincerely,

D. HANRATTY
CHAIR

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Author: Nicholas Cowley
 Date: 6.3.2013
 Produced using MapInfo
 Strategic Planning

Map Reference: KIM\Work Requests\
 Data and Systems\Kieran Timmins\
 MFRS & Police Locations\MFRS & Police Locations.png

MFRS & Merseyside Police Property Locations



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MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	POLICY AND RESOURCES COMMITTEE		
DATE:	27 NOVEMBER 2014	REPORT NO:	CFO/107/14
PRESENTING OFFICER	KIERAN TIMMINS, DEPUTY CHIEF EXECUTIVE		
RESPONSIBLE OFFICER:	KIERAN TIMMINS	REPORT AUTHOR:	KIERAN TIMMINS
OFFICERS CONSULTED:			
TITLE OF REPORT:	TOXTETH FIREFIT HUB ANNUAL REPORT AND ACCOUNTS		

APPENDICES:	APPENDIX A: ANNUAL REPORT AND ACCOUNTS FOR PERIOD ENDED 31ST MARCH 2014
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Purpose of Report

1. To bring to Members' attention the Annual Report and Accounts for the period ending 31st March, 2014 for the Firefit Hub (attached as Appendix A).

Recommendation

2. That Members
 - a. note the attached Annual Report and Accounts for the Firefit Hub and the successes achieved by the company
 - b. endorse and support the strategy to transition Toxteth Firefit Hub to a "Onside" funding model as set out within this report.

Introduction and Background

3. Members will recall that the Authority approved the creation of the Toxteth Firefit Hub as a unique project, combining a Youth Zone and fire station. A charitable company was set up to run the Youth Zone in line with the business plan considered by the Authority.
4. The Annual Report and Accounts of the Firefit Hub, attached as Appendix A shows the excellent progress made by the charity in its first year.
5. The charity runs the Youth Zone and provides the local community fire station with an opportunity to engage young people through a variety of activities at the centre. So far, it has gone a long way to support young people and help them to make positive life choices, engage them in activities that will benefit their health and well-being and to release their true potential.

6. This has been achieved through the provision of sports, music and arts facilities in an affordable manner for all. Assistance in governance and finance has been achieved through local partners in the form of the City Council, housing associations and local neighbourhood groups.

Key Achievements in the Year

7. During the building phase 8 apprenticeships were created for local young people with the centre's building partners.
8. As the project moved to its full operational stage, a charity was developed to run services for young people and the centre became fully operational on 25th July, 2013. Initially, 22 staff were recruited to run the centre, of which two thirds were from the L8 postcode, many of them young people. In addition, 9 young people are employed at the Hub working as Youth Hosts.
9. The services of the Hub have proved extremely popular with young people, and at the end of March the Hub had over 1,800 signed up members. Between the period July 2013 and March 2014 the Firefit Hub had recorded 73,034 visits. Most of the young people come from the area around the centre, but work is underway to extend this across Liverpool and Merseyside as the Hub is Liverpool's youth zone.
10. The charity reports that it has contributed to a 40% reduction in youth crime rates, compared with previous years. Anti-social behaviour arson related fires in the period around Bonfire Night and Mischief Night has also reduced by 52% with very successful specific events being held at the Hub.
11. It has been an eventful, challenging and fulfilling first year for the Hub with a number of major successes.
12. The Hub has worked to provide education and support for young people. Jointly with educational partners such as the City of Liverpool College and Everton Free School, a total of 960 qualifications were obtained by young people using the centre as their educational base.
13. One of the youth members was awarded the Merseyside Sports Partnership – Young Participant of the Year, and Sara Lawton (the MD) was awarded the accolade of Merseyside Woman of the Year.
14. In terms of revenue support, up front funding has been provided from Liverpool City Council and the Authority has assisted identifying significant sponsorship and external support from key commercial partners. Long term financial sustainability is a challenge for the charity despite these successes.
15. The original business plan relied upon an increasing proportion of income arising from facility hire. Whilst there has been some increase this is not as high as in the original business plan and in particular usage declined slightly during the periods of good summer weather.

16. The board of the Hub is mindful of the need to identify a solution to address this shortfall which would become acute early into the next financial year without corrective action. They have therefore approached “Onside” with a view to adopting an “Onside” approach. “Onside” is a charity which provides a comprehensive consultancy service in the development of high quality facilities and delivery of young people’s projects. Onside has its origins in the nationally acclaimed Bolton Lads’ and Girls’ Club, and has now built another 5 successful Youth Zones across the North West. Its funding model is based on a network of wealthy benefactors being established alongside local authority involvement. Members will recall that Onside are supporting Wirral Borough Council develop a youth zone in Birkenhead (for which the Authority is providing the land).
17. Onside are shortly to present a full proposal to the company board.

Equality and Diversity Implications

18. The Hub operates in one of the City’s most diverse communities. The workforce and the members of the centre reflect that diversity.

Staff Implications

19. The Hub has created 22 new jobs, many for local young people.

Legal Implications

20. The Authority nominates 2 Board members to the charitable board. They are currently Cllr Jean Stapleton and the Deputy Chief Executive.

Financial Implications & Value for Money

21. Toxteth Firefit Hub ended its first year of operations (2013/14) with a surplus of £40,162 and a gross asset position of £211,895, although £132,550 of this relates to deferred income which will fund operations in 2014/15.
22. Funding received from Liverpool City Council will be reduced from £150k in 2013/14, to £100k in 2014/15 and reducing further to £50k in 2015/16.
23. The Hub successfully generated £401,220 from operations and grants between July 2013 and March 2014.
24. The charity has been very successful in delivering funds to provide the first two years of operation. However income generation from facilities has not risen as fast as anticipated in the business plan. The key to success will be to continue this successful income generation into sustainable routes for the third year 2015/16. The Trustees are aware that there is a requirement to secure substantial new long term funding to secure the long term future of the Hub. A number of bids are to be submitted to support the charitable objectives of the organisation and the charity is considering strategic options for income generation including working with a number of partners and in particular “Onside”. Cash flow forecasts for the charity indicate that a sustainable plan is required by the end of the second year of trading.

25. Members will note that such challenges are not unique by any means for youth focused charities in the light of current austerity measures.
26. Most of the charity's funds are to be spent in the short term, so there are currently no funds for long term investment. The trustees are able to invest reserves in accounts which will generate income for the charity if appropriate.
27. The Fire and Rescue Authority makes no direct cash contribution to costs at present
28. The Fire and Rescue Authority does support the hub "in kind" by;
 - a. providing a member of the Prevention and Protection team on secondment to the Hub as Managing Director and in return has access to some of the services and facilities and the Hub runs special events and occasions for the service.
 - b. incurring building costs in the first instance and apportioning them on an agreed methodology. The Authority meets some shared estate costs e.g. grass cutting and window cleaning
 - c. The Authority has helped identify some partnership external sponsors to support the project
29. The Chair to the Firefit Hub has approached the Chair to the Fire and Rescue Authority seeking support in making the transition from the original business plan to an "Onside" based model and to help maximise the time for Onside to deliver a full sustainable model. The Hub has suggested that the Authority might consider meeting the property costs in full for the initial development phase of the Hub
30. Members will recall that they have previously agreed a specific reserve for granted funded youth programmes of £0.250m – this was set in place as an available source for transitional funding where pre-existing funding streams were being withdrawn because of austerity measures. In addition the Authority has set in place arrangements where it meets the building costs of close partner charities most notably the Fire Support Network which is based in HQ. (The Authority provides cash support to the Fire Support Network for services provided)
31. The property costs for the initial development phase of the Hub are an estimated £60k for a full financial year. The cost of supporting this request can be maintained within current estates budgets for this year because of success in achieving additional income for our buildings (which will be a permanent ongoing saving for future budgets). If there were any need to call on the specific reserve it would be reported in full to the Authority for approval.

32. In addition officers will continue to work with commercial partners to seek to maximise their corporate social responsibility offer and to generate sponsorship for the Hub.

Risk Management, Health & Safety, and Environmental Implications

33. A Risk Management Plan was developed for the original Business Plan. The Board has recently set up a sub-committee, which will review these risks on a regular basis.
34. The Board will conduct an annual review and the Risk Register is updated at least annually.
35. Where appropriate, systems and procedures have been established to mitigate the risks the charity faces. This includes the development of a Strategic Funding Plan to assist in meeting the significant external risks to funding.
36. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects, and procedures are in place to ensure the health and safety of staff, volunteers, clients and visitors to the centre.
37. Should the charity at any time cease to operate the building would revert to the Fire and Rescue Authority. The Authority would have to find an alternative use /partner for the building or it would have to meet the building costs.

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

38. The Hub makes a significant contribution to safer communities in the Toxteth / Liverpool area through the delivery of diversionary activities in line with Authority strategies.

BACKGROUND PAPERS

NA

GLOSSARY OF TERMS

MFRA = Merseyside Fire & Rescue Authority

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TOXTETH FIREFIT HUB ANNUAL REPORT AND ACCOUNTS

period ended 31st March 2014



REGISTERED NUMBER: 08444912

CHARITY NUMBER: 1152903

TOXTETH FIREFIT HUB
ANNUAL REPORT AND ACCOUNTS
for the period ended
31st March 2014

REGISTERED NUMBER: 08444912

CHARITY NUMBER: 1152903

TOXTETH FIREFIT HUB

Annual Report and Accounts
for the period ended 31st March 2014

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Report of the Trustees	2
Independent Examiners' Report	9
Statement of Financial Activities	10
Balance Sheet	11
Notes to the Accounts	12

TOXTETH FIREFIT HUB

Company Information for the period ended 31st March 2014

Company number:	08444912
Charity number:	1152903
Trustees:	D G Akeroyd S Brougham B A Fitzgerald D Kelly C D Martin H J Mooney P Morton T Newman A Oates K Timmins
Secretary:	J Henshaw
Registered office:	Merseyside Fire and Rescue Services Bridle Road Bootle Liverpool L30 4YD
Bankers:	HSBC 99-101 Lord Street Liverpool L2 6PG
Independent Examiner:	Mr P L Griffiths FCA Mitchell Charlesworth LLP Chartered Accountants 5 Temple Square Temple Street Liverpool L2 5RH

TOXTETH FIREFIT HUB

Report of the Trustees for the period ended 31st March 2014

The trustees (who are also the directors of the company for the purposes of the company law) present their annual report together with the accounts of the charity for the period ended 31st March 2014.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities (SORP 2005)".

Governing document

The charity is a company limited by guarantee, incorporated on 14th March 2013 and registered as a charity on 17th July 2013, and is governed by a Memorandum and Articles of Association.

Liverpool's Super Youth Zone



What is the Firefit Hub?

We are Liverpool's Super Youth Zone. A state of the art, world class facility for young people from across the City. A centre for sports, music and culture designed by young people, for young people.

Our mission

To engage young people through a variety of activities delivered at the Firefit Hub. Support young people, helping them to make positive life choices that will assist them in reaching their goals and aspirations. Encourage young people to engage in activities that will benefit their health and well-being releasing their true potential. Help young people to face challenges presented to them in everyday life, working with partner organisations to provide long-term sustainable support, education and employment.

The philosophy

We believe young people have a right to a safer, stronger and healthier future. That's why we place young people at the centre of all aspects of the Hub.

The promise

We offer services that will engage young people in sports, music and arts. Our promise is to provide a variety of activities that young people can afford.

We can deliver on projects

Our world-class facilities combined with a dedicated team allows us to provide a service that we are proud of. We also recognise the needs of young people change on a regular basis and as such we continually review our services to adapt them to the needs of young people.

We strive for excellence whilst continually learning from the young people who attend our facilities.

Organisation

The Firefit Hub was built as a unique collaboration between Department of Education, Merseyside Fire and Rescue Authority, Liverpool City Council, and young people from the local community of Toxteth and wider Liverpool. It is a £5.2 million development that provides a world class venue for young people. Facilities include a 'chillout zone', café, 2 storey gym, sports halls and 4 3G 5 aside football pitches.

TOXTETH FIREFIT HUB

Report of the Trustees (continued) for the period ended 31st March 2014

Organisation (continued)

The Firefit Hub is required to be financially self-sustainable and as such the Toxteth Firefit Hub Ltd charity was established in March 2013. The charity's financial year end and this first annual report and accounts is for the period to 31 March 2014.

The Hub building officially opened in April 2013 but became fully operational under the charity's control in July 2013.

Structure, governance and management

The Toxteth Firefit Hub Ltd is a company Limited by guarantee which was incorporated on 14th March 2013. It became a Charity (No. 1152903) when it was registered with Charity Commission on 11th July 2013.

The company's governance is set out in its Memorandum and Articles of Association dated 14th March 2013. The management of the company's affairs is vested in the Board of Trustees (Co-Directors) about whom the Memorandum and Articles of Association state that there will be a minimum of 3 and a maximum of 14 including from time to time up to 2 co-opted trustees.

The board

The Board of Toxteth Firefit Hub currently consists of the following individuals:

Peter Morton	Chair, Director and Trustee	Plus Dane Group
Sara Lawton	Managing Director	(Seconded from) Merseyside Fire and Rescue Service
Kieran Timmins	Treasurer, Director and Trustee	Merseyside Fire and Rescue Service
Janet Henshaw	Company Secretary	Merseyside Fire and Rescue Service
Henry Mooney	Community Representative, Director and Trustee	Everton in the Community
Barbara Fitzgerald	Community Representative, Director and Trustee	Rialto Neighbourhood Council
Steve Brougham	Director and Trustee	Riverside Housing
Colleen Martin	Director and Trustee	Liverpool City Council
Donna Kelly	Director and Trustee	Liverpool Housing Trust
Tony Newman	Director and Trustee	Merseyside Fire and Rescue Service
David Akeroyd	Director and Trustee	City of Liverpool College
Andrew Oates	Director and Trustee	Liverpool Mutual Homes
Peter Owens	Observer	Toxteth Fire Station

Make-up of the board

The first board was formed with the support of a coalition of organisations who had a stake in supporting the scheme and the local community. These organisations have nomination rights to the board:-

- Merseyside Fire and Rescue Authority
- Liverpool City Council
- Liverpool Housing Trust
- Plus Dane Housing Group
- Liverpool Mutual Homes
- Riverside Housing
- City of Liverpool College

TOXTETH FIREFIT HUB

Report of the Trustees (continued) for the period ended 31st March 2014

Structure, governance and management (continued)

When the project was originally conceived as just a refurbishment of the old Toxteth sports centre, a stakeholder group of organisations was set in place. Representatives of that group have also been appointed to the board to keep a close relationship with the local community:-

- Henry Mooney from Toxteth Tigers
- Barbara Fitzgerald from Rialto Neighbourhood Council

Finally representatives of the young members of the Hub are also present on the board making sure that the company delivers what young people want and need.

Trustee induction and training

The trustees were selected from a range of local partners, each of which were key stakeholders in the community in which the Toxteth Firefit Hub is based. These include a range of community representatives, delegates nominated by key stakeholders including locally based Registered Social Landlords, and representatives of key investors including Merseyside Fire and Rescue Authority and Liverpool City Council.

The initial trustees were recruited and appointed ahead of the opening of the Hub and their induction has included a detailed briefing on the ambitions and strategy for the Hub. All Trustees have been involved in the development of the short and medium term strategy for the organisation.

As and when new trustees are recruited and appointed, a full induction programme will be designed and delivered to ensure they are fully conversant with the aims, objectives and operation of the Hub

Charitable objectives

The objects of the charity are for the public benefit and are specifically restricted to the following:

- 1) To further or benefit the residents of Toxteth and the neighbourhood and other districts that the trustees shall deem appropriate, without distinction of sex, sexual orientation, gender reassignment, pregnancy or maternity, race, disability, marriage or civil partnership status or of political, religious or other beliefs by associating together the said residents and the local authorities, voluntary and other organisations in a common effort to advance education and to provide facilities in the interests of social welfare for recreation leisure time occupation with the objective of improving the conditions of life for the residents;
- 2) The promotion of public health through the provision of facilities for healthy exercise and sport for the benefit of the public;
- 3) To act as a resource for young people up to the age of twenty five living primarily in the Toxteth area of Liverpool and otherwise the northwest by providing or facilitating the provision of advice and assistance and organising programmes of physical, educational and other activities as a means of:
 - a) advancing in life and helping young people by developing their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals;
 - b) advancing education;
 - c) relieving unemployment.

TOXTETH FIREFIT HUB

Report of the Trustees (continued) for the period ended 31st March 2014

Charitable objectives (continued)

Ensuring our work delivers our aims and charitable objectives

We review our Mission and Philosophy each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us ensure our aim, objectives and activities remained focused on our stated purposes. We have considered the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the Mission and Philosophy and charitable objectives they have set.

Activities

a) For young people

The Firefit Hub delivers a huge range of activities for young people. These include:-

Sports

The Hub has up to 15 different sporting activities per night from lacrosse to yoga, from football to table tennis. It also holds major events and competitions.

Arts and music

A range of activities and skill development opportunities are provided for young people including nail art, pop art, movie nights.

Special events

The Hub holds a range of major events to support key partners. These include music festivals, boxing events and special events around Halloween and Mischief Night to reduce anti social behaviour.

The Hub's first birthday party saw a thousand people attend the centre to celebrate.

The next section shows some of the work in pictures.

b) Trading activities

In order to assist sustainability the centre hires out facilities to local groups and sports teams (many of whom contribute back to the sports offer through the youth zone).

It also rents accommodation to a variety of partners including during the first year Everton Free school, City of Liverpool College and Fit UK.



TOXTETH FIREFIT HUB

Report of the Trustees (continued)
for the period ended 31st March 2014



Achievements and performance

It has been an eventful, challenging and fulfilling first year for the Hub with a number of major successes.

During the building phase 8 apprenticeships were created for local young people with our building partners.

As the project moved to its full operational stage this charity was developed to run services for young people and the centre became fully operational on the 24 July 2013. Initially 22 staff were recruited to run the centre of which two thirds were from the L8 postcode, many of them young people. In addition 9 young people are employed at the Firefit Hub working as Youth Hosts.

The services of the Hub have proved extremely popular with young people and at the end of March the Hub had currently over 1800 signed up members. Between the period July 2013 and March 2014 the Firefit Hub had 73,034 visitors. Most of the young people come from near the youth zone but work is underway to break down barriers.

The Hub has worked to provide education and support for young people. Jointly with on-site educational partners such as the City of Liverpool College and Everton Free School, a total of 960 qualifications were obtained by young people using the Hub as their educational base.

One of our youth members was awarded the Merseyside Sports Partnership - Young Participant of the Year.

For the unique approach of the charity to services for young people the MD, Sara Lawton, was awarded the accolade of woman of the year.

Youth crime in the local area has dropped by 40%.

Anti-social behaviour arson related fires in the period around Bonfire Night and Mischief Night have reduced by 52%.

TOXTETH FIREFIT HUB

Report of the Trustees (continued) for the period ended 31st March 2014

Training

Staff are trained on a regular basis, training has included:

- Safeguarding
- First Aid
- Fire Warden
- Manual Handling
- Protocols and procedures
- Conflict Management
- Health & Safety
- Diversity & Equality
- Health & Hygiene
- C card training (sexual health)
- Defibrillator training
- Sporting qualifications
- World Host training

Sporting qualifications are also offered to members who attend the Hub to allow them to facilitate sporting sessions with their friends/peers.

Financial review

During its first year of operations the Hub has been supported by a range of investments.

The capital cost of building the centre had been met through a strong consortium of Education Department (through the myPlace programme), Liverpool City Council and Merseyside Fire and Rescue Authority.

In terms of revenue support there has been significant up front funding which has involved a strong partnership approach between the Liverpool City Council and the Merseyside Fire and Rescue Authority. There has also been some significant sponsorship and support from key commercial partners.

Toxteth Firefit Hub ended its first year of operations with a surplus of £40,162 and a gross asset position of £211,895, although £132,550 of this relates to deferred income which will fund operations in 2014/15.

The trustees are aware that there is a requirement to secure substantial new funding to secure the long term future of the Hub. They are arranging a number of bids to be submitted to support the charitable objectives of the organisation and considering options for income generation.

Investment powers and policy

Most of the charity's funds are to be spent in the short term so there are currently no funds for long term investment. The trustees are able to invest reserves in accounts which will generate income for the charity if appropriate.

Principle funding sources

The Firefit Hub has received part funding from Liverpool City Council, the funding allocation is as follows:-

Year 1	£150k
Year 2	£100k
Year 3	£50k

The Firefit Hub received sponsorship and support from key commercial partners and benefits from shared services with the fire station.

The Hub generated £401,220 from operations and grants between July 2013 and March 2014.

TOXTETH FIREFIT HUB

Report of the Trustees (continued) for the period ended 31st March 2014

Plans for future periods

The charity plans to continue and expand the activities and support it is successfully delivering for young people into next year. The Hub is developing a strategic income generation plan which will help deliver future self-sustainability.

This includes:-

- Identification of Strategic Alliances and partners
- Grant funding bids to support our work with young people
- Generating income from current facilities and hire (The young people have agreed to assist with the generation of income by hiring the sports facilities to member of the public, income generation targets)
- The hire of classrooms. The Hub has 3 classrooms 2 of which are occupied by educational partners delivering qualifications to young people.
- Generating income from special events including music festival for young people
- Options for maximising value from assets

Reserves policy

The charity is in the early stages of its development. It is seeking to build up reserves which will equate to a minimum of three months turnover – which will approximate to about £125,000 – this will allow it to manage short term financial risk effectively. Although the strategy is to continue to build reserves through planned operating surpluses, the trustees are well aware that it unlikely that the target range can be reached for at least five years. In the short term the trustees have also considered the extent to which existing activities and expenditure could be curtailed, should such circumstances arise.

Risk management

Risk to the project has been assessed and a risk management plan was developed for the original business plan. The board has recently set up a sub committee which will review these risks on a regular basis. The board will conducted an annual review and the risk register is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Significant external risks to funding have led to the charity beginning to develop a strategic funding plan which will allow for the diversification of funding and activities to support services for young people. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to the centre.

By Order of the Trustees



P Morton
Trustee

30th October 2014

Mitchell Charlesworth LLP

Chartered Accountants
5 Temple Square Temple Street Liverpool L2 5RH

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF TOXTETH FIREFIT HUB

I report on the accounts of the company for the period ended 31st March 2014 which are set out on pages 10 to 16.

Respective responsibilities of trustees and examiner

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this period under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to an audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Act, as amended); and
- state whether particular matters have come to my attention.

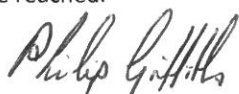
Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



P L Griffiths FCA DChA
MITCHELL CHARLESWORTH LLP
Liverpool

30th October 2014

TOXTETH FIREFIT HUB

Statement of Financial Activities for the period ended 31st March 2014

Summary Income and Expenditure Account

Incoming resources	Notes	Unrestricted £	Restricted £	Total 2014 £
Incoming resources from generated funds: Investment income	2	1	-	1
Incoming resources from charitable activities	3	<u>381,382</u>	<u>19,837</u>	<u>401,219</u>
Total incoming resources		<u>381,383</u>	<u>19,837</u>	<u>401,220</u>
Resources expended				
Charitable activities	4	350,744	8,514	359,258
Governance costs	5	<u>1,800</u>	<u>-</u>	<u>1,800</u>
Total resources expended		<u>352,544</u>	<u>8,514</u>	<u>361,058</u>
Net incoming resources for the period	6	<u>28,839</u>	<u>11,323</u>	<u>40,162</u>
Total funds at 31st March 2014		<u><u>28,839</u></u>	<u><u>11,323</u></u>	<u><u>40,162</u></u>

The notes on pages 12 to 16 form part of these accounts.

TOXTETH FIREFIT HUB

Balance Sheet 31st March 2014

	Notes	2014	
		£	£
Current assets			
Debtors	10	55,116	
Cash at bank and in hand		<u>156,779</u>	
		211,895	
Creditors			
Amounts falling due within one year	11	<u>171,733</u>	
Net current assets			<u>40,162</u>
Net assets			<u>40,162</u>
Unrestricted funds			
General funds	12		28,839
Restricted funds	13		<u>11,323</u>
Total funds	14		<u>40,162</u>

For the period ended 31st March 2014 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for:

- the members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Trustees on 30th October 2014 and authorised for issue and signed on their behalf by:-



K Timmins
Trustee

Company Registration Number: 08444912

The notes on pages 12 to 16 form part of these accounts.

TOXTETH FIREFIT HUB

Notes to the Accounts Period ended 31st March 2014

1. Accounting policies

Accounting basis

The accounts have been prepared under the historical cost convention, and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Companies Act 2006.

Incoming resources

Voluntary income including donations, and other sundry income of a general nature is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:-

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from charitable activities including income received under contract or where entitlement to grant funding is subject to specific performance conditions, is recognised as earned or as the related goods or services are provided. Grant income included in this category provides funding to support specific activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Volunteers and donated services and facilities

The value of services provided by volunteers is not incorporated into these accounts. Further details of the contribution made by volunteers can be found in the trustees' annual report.

Where services are provided to the charity as a donation that would normally be purchased from our suppliers, this contribution is included in the accounts at an estimate based on the value of the contribution to the charity.

Grants

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the period in which they are receivable.

Resources expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied.

- Charitable activities include expenditure associated with the provision of a citizens advice bureau and the delivery of income maximisation projects and includes both the direct costs and support costs relating to these activities.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Capitalisation of fixed assets

All expenditure for the acquisition of fixed assets is included in the balance sheet at cost.

Depreciation

Depreciation is provided to write off the cost of each asset over its estimated useful life at the following rates, charging a full period's depreciation in the period of acquisition and none in the period of disposal as follows:-

Fixtures and fittings	- 25% reducing balance
Computer equipment	- 33% straight line

TOXTETH FIREFIT HUB

Notes to the Accounts Period ended 31st March 2014

1. Accounting policies (continued)

Funds

Unrestricted funds are donations and other incoming resources receivable or generated for the furtherance of the charity's objects without further specified purpose and are available as general funds.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

2. Investment income

	Unrestricted £	Restricted £	Total 2014 £
Bank interest receivable	1	-	1
	<u>1</u>	<u>-</u>	<u>1</u>

3. Incoming resources from charitable activities

	Unrestricted £	Restricted £	Total 2014 £
Gym membership	123,412	-	123,412
Vending income	7,505	-	7,505
Rent received	31,275	-	31,275
Donations	37,587	-	37,587
City of Liverpool	150,000	-	150,000
Grants	14,520	19,837	34,357
Other income	16,329	-	16,329
Fundraising events	<u>7,154</u>	<u>-</u>	<u>754</u>
	381,382	19,837	401,219
	<u>381,382</u>	<u>19,837</u>	<u>401,219</u>

	Received in period £	Deferred/ accrued income carried forward £	2014 Total £
Gym membership	125,962	(2,550)	123,412
Vending income	3,393	4,112	7,505
Rent received	27,733	3,542	31,275
Donations	37,587	-	37,587
City of Liverpool	150,000	-	150,000
Grants	34,357	-	34,357
Other income	16,329	-	16,329
Fundraising events	754	-	754
Sponsorship monies	<u>130,000</u>	<u>(130,000)</u>	<u>-</u>
	526,115	(124,896)	401,219
	<u>526,115</u>	<u>(124,896)</u>	<u>401,219</u>

TOXTETH FIREFIT HUB

Notes to the Accounts Period ended 31st March 2014

4. Charitable activities			Total 2014 £
Providing youths with a safe and supervised environment to socialise and maintain health and wellbeing			22,671
Staff costs			269,814
Establishment cost			44,696
Other			<u>22,077</u>
			<u>359,258</u>
5. Governance costs	Unrestricted £	Restricted £	Total 2014 £
Accountancy and external scrutiny fees	1,800	-	1,800
	<u>1,800</u>	<u>-</u>	<u>1,800</u>
6. Net outgoing resources for the period			Total 2014 £
This is stated after charging:			
External examiner's fees:			
Independent examination			1,800
Other services			6,022

TOXTETH FIREFIT HUB

Notes to the Accounts
Period ended 31st March 2014

8. Staff costs and numbers	Total 2014 £
Salaries and wages	252,433
Social security costs	<u>17,381</u>
	269,814
	<u><u> </u></u>

There are no employees earning at the rate of £60,000 or more per annum.

The average weekly number of employees during the period was as follows:-

	Number
Project	16
Management and support	<u>11</u>
Total	27
	<u><u> </u></u>

None of the trustees received any remuneration during the period. Reimbursed expenses amounted to £Nil.

9. Taxation

The company is exempt from corporation tax on its charitable activities.

10. Debtors	2014 £
Trade debtors	42,757
Prepayments	4,705
Accrued income	<u>7,654</u>
	55,116
	<u><u> </u></u>

11. Creditors: Amounts falling due within one period	2014 £
Trade creditors	3,871
Social Security and other taxes	6,181
Accruals and deferred income	<u>161,681</u>
	171,733
	<u><u> </u></u>

TOXTETH FIREFIT HUB

Notes to the Accounts

Period ended 31st March 2014

12. Unrestricted funds	Incoming resources £	Outgoing resources £	As at 31.03.14 £
General fund	381,383	352,544	28,839
	<u> </u>	<u> </u>	<u> </u>
13. Restricted funds	Incoming Resources £	Outgoing resources £	As at 31.03.14 £
Liverpool City Council (Play Heath)	1,982	(1,982)	-
Street Ganes UK	5,000	(5,000)	-
Sister Hub	2,000	-	2,000
Merseyside Sports Partnership	5,950	(1,427)	4,523
John Moores Foundation	<u>4,905</u>	<u>(105)</u>	<u>4,800</u>
	<u>19,837</u>	<u>(8,514)</u>	<u>11,323</u>

The restricted fund balances relate to specific projects and events run by the charity and in accordance with the conditions of the grant.

14. Analysis of net assets between funds	Unrestricted Funds £	Restricted Funds £	Total Funds £
Net current assets	<u>28,839</u>	<u>11,323</u>	<u>40,162</u>
Net assets at 31st March 2014	<u>28,839</u>	<u>11,323</u>	<u>40,162</u>

15. Members liability

The company is limited by guarantee and has no share capital. Every member of the Association undertakes to contribute to the assets of the Society, in the event of being wound up while he or she is a member or within one period of ceasing to be a member for debts and liabilities of the Society contracted before he or she ceases to be a member, such amount as may be required not exceeding £1.

16. Ultimate controlling party

In the opinion of the trustees, there is no ultimate controlling party.

17. Capital commitments

There are no capital commitments as at 31st March 2014.

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

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