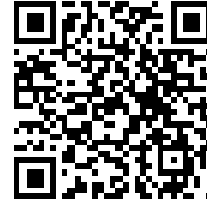


Public Document Pack



To: All Members of the Authority



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: 4113 Kelly Kellaway

Your ref:

Our ref HP/DM

Date: 17 February 2016

Dear Sir/Madam,

You are invited to attend the **MERSEYSIDE FIRE AND RESCUE AUTHORITY**
BUDGET MEETING to be held at **1.00 pm** on **THURSDAY, 25TH FEBRUARY,**
2016 in the Liverpool Suite at Service Headquarters, Bridle Road, Bootle, L30 4YD.

Yours faithfully,

A handwritten signature in black ink that reads 'K. Kellaway' followed by 'PP'.

Clerk to the Authority

Encl.

MERSEYSIDE FIRE AND RESCUE AUTHORITY

AUTHORITY BUDGET MEETING

25 FEBRUARY 2016

AGENDA

Members

Dave Hanratty (Chair)
Les Byrom (Vice-Chair)
Linda Maloney (Vice-Chair)
Robbie Ayres
Peter Brennan
Roy Gladden
Ray Halpin
Mike Kearns
Jimmy Mahon
Barbara Murray
Steve Niblock
Lesley Rennie
Denise Roberts
James Roberts
Jean Stapleton
Sharon Sullivan
Paul Tweed
Marianne Welsh

1. Preliminary Matters

The Authority is requested to consider the identification of:

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

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

The Minutes of the previous meeting of the Authority, held on 17th December 2015, are submitted for approval as a correct record and for signature by the Chair.

3. Asset Management Plans (Pages 15 - 96)

To consider Report CFO/011/16 of the Deputy Chief Fire Officer, concerning how the Authority plans to align its physical asset base with its corporate goals and objectives over the next five years (2016/17 – 2019/20).

4. **financial review 2015/16 - April to December 2015** (Pages 97 - 132)

To consider Report CFO/007/16 of the Treasurer, concerning the financial position, revenue and capital, for the Authority for the period April to December 2015.

5. **MERSEYSIDE FIRE AND RESCUE AUTHORITY BUDGET AND FINANCIAL PLAN 2016/2017 – 2019/2020** (Pages 133 - 212)

To consider Report CFO/008/16 of the Treasurer, concerning the setting of a medium term capital and revenue financial plan, that allocates resources in line with the Authority's strategic aims and ensure that the Authority delivers an efficient, value for money service. This will also allow the Authority to determine a budget for 2016/17 and a precept level, in line with statutory requirements.

6. **Emergency Medical Response Trial** (Pages 213 - 242)

To consider Report CFO/012/16 of the Chief Fire Officer, concerning an update on the proposed introduction of a co-responding pilot, between Merseyside Fire & Rescue Authority (MFRA) and North West Ambulance Service (NWAS), as part of the ongoing Blue Light Collaboration Work.

7. **Fire Fit Hub Options Appraisals And Recommendations** (Pages 243 - 254)

To consider report CFO/009/16 of the Deputy Chief Fire Officer concerning an appraisal of options regarding the Firefit Hub.

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

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.

MERSEYSIDE FIRE AND RESCUE AUTHORITY

17 DECEMBER 2015

MINUTES

Present: Cllr Dave Hanratty (Chair) Councillors Les Byrom, Linda Maloney, Robbie Ayres, Peter Brennan, Roy Gladden, Ray Halpin, Barbara Murray, Steve Niblock, Lesley Rennie, Denise Roberts, Jean Stapleton, Sharon Sullivan, Paul Tweed and Marianne Welsh

Also Present:

Apologies of absence were received from: Cllr Mike Kearns, Cllr Jimmy Mahon and Cllr James Roberts

13. CHAIRS ANNOUNCEMENTS:

Prior to the start of the meeting, information regarding general housekeeping was provided by the Chair to all in attendance.

The Chair confirmed to all present that the proceedings of the meeting would be filmed and requested that any members of the public present who objected to being filmed, make themselves known.

No members of the public voiced any objection therefore the meeting was declared open and recording commenced.

1. Preliminary Matters

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

Resolved that:

a) The following declarations of interest were made by Members in relation to Items of business on the agenda:

- Cllr Ayres declared a personal interest in relation to Agenda Item 5, due to being a St. Helens Councillor.
- Cllr Rennie declared a personal interest in relation to Agenda Item 6, due to being a Trustee of Fire Support Network.
- Cllr Stapleton declared a personal interest in relation to Agenda Item 6, due to being a Trustee of Fire Support Network.
- Cllr Hanratty declared a personal interest in relation to Agenda Item 12.

- b) no additional items of business were determined by the Chair to be considered as matters of urgency; and
- b) The following items of business required the exclusion of the press and public during consideration thereof because of the possibility of the disclosure of exempt information:
 - **Agenda Item 12** – “ICT Managed Service”, due to containing EXEMPT information by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

It was also noted that Appendix B to Agenda Item 5 – “Proposed Station Merger of Eccleston and St. Helens Fire Stations At a New Station On Canal Street” contained EXEMPT information by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972; and should discussion around this Appendix be required, members of the press and public would need to be excluded before discussion commenced.

2. Minutes of the Previous Meeting

The Minutes of the previous meeting of the authority, held on 20th October 2015, were approved as a correct record and signed accordingly by the Chair.

3. Station Mergers - Progress Report

Members considered report CFO/097/15 of the Chief Fire Officer concerning progress made to date in relation to the Station Mergers Programme.

Members were provided with an overview of the report which provided an update on each of the work streams within the Station Mergers Programme.

In relation to the closure of Allerton Fire Station, Members were informed that discussions are underway with Liverpool City Council and Merseyside Police regarding future use of the fire station, Police station and library which will be reported to Members in due course.

In relation to the merger option in Prescot, Members were informed that a full planning application has now been submitted, which is due to be considered by Knowsley Council’s Planning Committee on 14th January 2016. If approved, it is envisaged that work on the site will commence in February 2016 with the build expected to take approximately 12 months. Members were also informed of action taken by the Authority’s appointed contractor, to encourage local businesses to bid for inclusion on the list of sub-contractors for this project.

Members were informed of the progress made with regards to the Wirral merger proposal at the Saughall Massie site. Pre-planning advice has been sought by officers; and as a result of the advice received, plans for the new station have been amended, including reducing the footprint of the building. It is envisaged that a full planning application will be submitted shortly. Members were advised

that it is considered highly likely that the matter will be referred to the Secretary of State.

In relation to the St. Helens merger proposal, Members were informed that an agreement had been reached with Pilkington's over the sale of the Canal Street site, subject to planning approval. Discussions with the Police and North West Ambulance Service regarding shared use of the site continue, but no agreement has yet been reached.

Members resolved that

- a) the contents of this report be noted
- b) their thanks be placed on record to all those involved in the Station Mergers process, for all their hard work.

4. St Helens Consultation Outcomes

Members considered report CFO/094/15 of the Chief Fire Officer concerning the outcomes of the twelve week public consultation regarding the draft proposals to either merge St. Helens and Eccleston fire stations at a new station on Canal Street, St. Helens, or close Eccleston fire station outright and respond from St. Helens.

Members were provided with an overview of the report, which detailed the consultation undertaken with various stakeholders over proposals to deliver the savings required for this year, which took the form of public meetings, focus groups, staff meetings and an online questionnaire. The update also highlighted the outcomes of this consultation.

Members were informed that the public consultation meetings were not well attended, however the overall conclusion was that the Canal Street merger proposal was supported.

There were no comments referring to the exempt information so the meeting was not closed to the public at this point

Members resolved that

- a) The outcomes of the comprehensive and informative St Helens public consultation be noted.
- b) Those outcomes be taken into full and carefully considered account when considering report CFO/094/15 relating to the possible future options for fire cover in St. Helens.
- c) Thanks be placed on record to all involved in the consultation process including Officers, Opinion Research Services and Eccleston Councillors.

5. Proposed Station Merger Of Eccleston And St. Helens Fire Stations At A New Station On Canal Street

Members considered report CFO/092/15 of the Chief Fire Officer regarding the proposed station merger of Eccleston and St. Helens Fire Stations at a new station on Canal Street.

Members were provided with an overview of the report, which outlined the outcomes of the 12 week public consultation.

Members were provided with some reassurance that Officers will do all they can to maintain the wholetime availability appliance at Eccleston fire station, prior to the opening of the new station at Prescott, which when operational, will provide additional coverage to areas of Eccleston.

Discussion took place around the impact of budget cuts and the difficult decisions being faced by the Authority.

Members resolved that:

- a) the merger of Eccleston and St Helens fire stations at a new station on Canal Street, subject to the purchase of the land from Pilkington's and the granting of planning permission, be approved;
- b) the change in crewing of the Eccleston fire appliance from wholetime to wholetime retained, be approved, noting that the Chief Fire Officer (CFO) will endeavour to maintain wholetime crewing of the appliance for as long as is practically possible prior to the completion of the new station in Prescott, which would provide some additional coverage into the St Helens district;
- c) the capital programme be amended to incorporate the Canal Street fire station scheme, and;
- d) delegated authority be given to the CFO to continue discussions with partners, including Merseyside Police and North West Ambulance Service, with a view to sharing the new building.

6. HOME SAFETY STRATEGY 2015-2018

Members considered report CFO/090/15 of the Deputy Chief Fire Officer concerning the proposed refresh of the Home Safety Strategy for 2015-18 with particular regard to the targeted approach and referral pathway.

Members were informed that this report had previously been considered by the Performance and Scrutiny Committee at its meeting on 5th November 2015.

An overview of the report was provided to Members which detailed the recent increase in fire deaths; and the requirement to target diminishing resources

efficiently by working closely with our partners and sharing data, to identify and target those who are most vulnerable within our communities.

Discussion took place around the continuing role of the Fire Support Network in delivering the Home Safety Strategy; and around issues related to private landlords and houses of multiple occupation in relation to fire safety.

Members thanked Officers and all staff who help to make our communities safer.

Members Resolved that:

- a) the information contained within this report concerning the proposed revised approach to home safety, be noted.
- b) The Home Safety Strategy 2015-2018, be approved for implementation, as recommended by the Performance & Scrutiny Committee.

7. SAFE Programme

Members considered report CFO/082/15 of the Deputy Chief Fire Officer, concerning the new SAFE (Safety Advice Fire Education) juvenile fire setting intervention programme.

Members were provided with an overview of the report and were informed that examples of the information and resources which will be used in the intervention programme were on display for Members to view should they so wish.

Members were informed that the programme will be used to educate young people on the dangers of fire setting; and where required, refer young people onto other agencies for further support and intervention.

Members Resolved that:

The new juvenile fire setting programme, be approved.

8. HEALTH AND SAFETY ANNUAL REPORT 2014-15

Members considered report CFO/089/15 of the Chief Fire Officer, concerning the content of the Annual Health, Safety and Welfare Report and performance of the Authority with regard to the Health, Safety and Welfare outcomes for 2014-15.

Members were informed that this report had been considered the Performance and Scrutiny Committee at its meeting on 5th November 2015.

Members were provided with an overview of the report, which highlighted some of the key health, safety and welfare outcomes for 2014/15. They were informed of a slight increase in the number of recorded injuries, with the majority of injuries being muscular strains. However, it was reported that despite this slight increase, the number of duty days lost to sickness has actually reduced significantly.

Members were also informed of the number of near misses reported; and the need to encourage increased reporting of such near misses to enable root causes to be identified and actual incidents to be prevented.

Members resolved that:

- a) the contents of the report be noted.
- b) performance in relation to Health Safety and Welfare across the Authority for the period April 2014 to March 2015, be noted.

9. Industrial Relations Update

Members considered report CFO/096/15 of the Chief Fire Officer, concerning matters of negotiation and consultation that are currently or have recently been subject to dialogue between Officers of the Authority and Representative Bodies since the final meeting of the Consultation and Negotiation Committee of 23rd March 2015.

Members were informed that following the disbanding of the Consultation & Negotiation Sub-Committee at the Authority's AGM in June 2015, it was agreed that regular update reports be submitted to the full Authority for Members information.

Members were provided with an overview of the report, which highlighted the number of new or amended Service Instructions considered by the joint secretaries, and the Memorandum of Understanding reached with the Fire Brigades Union (FBU) over the 24 hour and wholetime retained duty system, which places the Authority in a better position to deal with the financial challenge moving forward.

The overview also highlighted the work undertaken with representative bodies to reach an agreement with regards to co-responding to cardiac arrest incidents.

Members expressed their thanks to the FBU and other representative bodies for their pragmatic approach during such challenging times; commenting that maintaining such positive industrial relations during such challenging times, is a credit to all those involved.

Members resolved that:

- a) The work undertaken and progress made in relation to maintaining effective and constructive industrial relations with Representative Bodies, be noted.

- b) The work undertaken and progress made to deliver the Authority's Integrated Risk Management Plan (IRMP), be noted.

10. STATEMENT OF ASSURANCE 2015

Members considered report CFO/095/15 of the Chief Fire Officer concerning the Authority's Statement of Assurance 2015 for publication on the Authority's website.

Members were informed that the Statement of Assurance looks back on performance for 2014-15, therefore it does not make reference to recent incidents such as the Merseyside USAR team deployment to the incident at Bosley or the response to the recent floods in Cumbria.

Members expressed their thanks to the Chief Fire Officer and Officers involved in assisting with the recent Cumbria floods and other major incidents outside the Authority's boundaries.

Members resolved that:

- a) The information contained within the report, be noted.
- b) The Authority's draft Statement of Assurance 2015, be approved for publication on the Authority's website.

11. Financial Review 2015/16 - April to September

Members considered report CFO/091/15 of the Treasurer, concerning a review of the financial position, revenue and capital, for the Authority for the period April to September 2015.

Members were provided with an overview of the report, which highlighted that the Final Accounts for 2014/15, which have been audited and confirmed by Grant Thornton, identified that the Authority were slightly ahead of the savings target. They were also informed of progress in relation to the delivery of approved budget savings for 2015/16.

The overview informed Members of an increase to the Capital Programme, due to the increased cost of the new Prescot Fire Station scheme.

Members were also informed that the Treasury Management strategy remains consistent; and performance in relation to financial processes remains strong.

With regards to internal audit reviews, Members were advised that most reviews are yet to be completed as the majority are scheduled for later in the year.

Members Resolved that:

- a) The potential £0.814m favourable revenue position identified within this report, be noted.
- b) The utilisation of the £0.814m favourable revenue position to increase the capital investment reserve in light of the future station merger programme and Service investment needs, be approved.
- c) the treasurer be instructed to continue to work with budget managers to maximise savings in 2015-16.

Following consideration of this item, Members were informed of indicative figures for the Authority's grant settlement up to 2019-2020. It was stressed to Members that at this stage, the figures had not been formally confirmed.

Initially, the Authority had anticipated as a worst case scenario, a savings target of £14m up to 2019-2020, however, indicative figures showed that the savings target was likely to be in the region of £11m.

Members were informed that although this position looks slightly better than what was anticipated, any further cuts to the Authority's budget will undoubtedly result in some very difficult decisions being made; and further reductions in the number of fire appliances and fire stations.

Members noted that the fire and rescue service are the only emergency service not to be protected from Government cuts; and expressed concerns over the potential for further cuts to have a significant detrimental impact on the safety of Merseyside.

The Representative Bodies were invited to comment.

Mark Rowe representing the Fire Brigades Union (FBU) commented that it was important to retain good industrial relations moving forward, to help the Authority through such challenging times; and stressing that the safety of the public of Merseyside will always be the priority for the FBU.

12. ICT Managed Service Award (Confidential)

Members considered report CFO/093/15 of the Deputy Chief Fire Officer concerning the award of a new contract for ICT Managed Services following a full European Union (EU) competitive tender procedure with negotiation.

Members were provided with an overview of the report which detailed the tender process undertaken and the outcomes of an in-house comparison analysis.

Members resolved that:

- a) the award of the contract for the provision of ICT Managed Service provision to Telent Technology Services Ltd. for a period of 5 years with effect from 1st April 2016 (with the possibility of extension of the term for a further 5 year period), be approved.
- b) there be no standstill period of 10 days between the date of notification of the above decision to Telent Technology Services Ltd and the date on which the Authority enters into the contract to conclude the agreement, as there is no legal requirement for the Authority to do so.
- c) the contract price savings be noted.
- d) the comparison of in-house provision, in particular that such provision will not provide the most cost effective service, be noted.

Close

Date of next meeting Thursday, 26 May 2016

Signed:_____

Date:_____

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MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	AUTHORITY BUDGET MEETING		
DATE:	25 FEBRUARY 2016	REPORT NO:	CFO/011/16
PRESENTING OFFICER	DCFO GARRIGAN		
RESPONSIBLE OFFICER:	JOHN MCNEILL NICK SEARLE	REPORT AUTHOR:	JOHN MCNEILL NICK SEARLE
OFFICERS CONSULTED:	ED FRANKLIN STEWART WOODS IAN CUMMINS GM CHRIS CASE		
TITLE OF REPORT:	ASSET MANAGEMENT PLANS 2016/17 – 2020/21		

APPENDICES:	APPENDIX A:	ESTATES ASSET MANAGEMENT PLAN
	APPENDIX B:	ICT ASSET MANAGEMENT PLAN
	APPENDIX C:	TRANSPORT ASSET MANAGEMENT PLAN
	APPENDIX C1:	MFRS APPLIANCE FLEET LIST
	APPENDIX C2:	ANCILLARY VEHICLE FLEET LIST
	APPENDIX C3:	POD LIST
	APPENDIX C4:	VEHICLES – APPROVED BUDGET 2015/16 TO 2019/20
	APPENDIX D:	OVERVIEW OF CAPITAL BUDGET

Purpose of Report

1. The purpose of this report is to set out how the Authority, plans to align its physical asset base with its corporate goals and objectives over the next 5 years (2016/17 – 2019/20),
2. The Asset Management Plans take account of the financial challenge faced by the Authority and consequently the changes that are likely to be required to in order to continue to meet requirements and expectations of both internal and external service users.

Recommendation

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

Introduction and Background

4. This report introduces the strategic plans which set out how the authority will use its physical assets in an efficient and effective manner over the various life-cycles of the assets to support service delivery.

5. The asset management arrangements divide the Authority's physical resources into three broad areas;
 - Buildings, land and contents
 - ICT (inc applications)
 - Transport / Vehicle fleet
6. The Asset Management Plan for each of the three areas set out the strategic goals for the asset portfolio by outlining what programs will be delivered, the methods of program delivery, and what assets and resources will be required.
7. The Asset Management Plans enable the practical implementation of the Authority's strategic goals and helps in identifying the optimal asset base that is necessary to support service delivery requirements.
8. The underlying principle in developing Asset Management Plans is that each asset will deliver future benefit to the Authority by supporting service delivery, whether directly or indirectly.
9. The Asset Management Plans also acknowledge that as employee numbers drop it becomes increasingly important to ensure the provision of physical assets which fully enable staff to work in the most effective and productive way.
10. The Asset Management Plans should be viewed in conjunction with other strategic documents, in particular, the Capital Strategy and Capital Programme, supporting and informing the Financial Strategy and the budget for 2015/16 to 2020/21.

Equality and Diversity Implications

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

Staff Implications

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

Legal Implications

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

Financial Implications & Value for Money

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

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

Risk Management, Health & Safety, and Environmental Implications

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

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

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

BACKGROUND PAPERS

GLOSSARY OF TERMS

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Property Asset Management Plan

2016 / 2021

Contents

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1 Overview

1.1 Asset Management

This is our Property Asset Management Plan 2016 /2021 which supersedes the 'Property Asset Management Plan 2010 /2015.

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

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

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

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

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

Despite being times of economic uncertainty the Authority has invested in modernising its estate over the last 5 years, with the ongoing austerity measures it remains vital for the Authority to implement best practice in the management of its land and buildings. It is anticipated that the proposals contained within this Plan can be implemented over the next five years improving and modernising our Property Assets where appropriate.

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

1.2 Estates

The Estates Department are part of the strategic Change and Resource Function and are responsible for managing the property assets with an estate comprising of approximately 50,000m² of managed space located over 40 acres of land in the Merseyside region, which has a population of 1.4 million residents and spans 249 square miles (645km²). This incorporates 25 operational Fire and Rescue Stations and a further 19 non-operational support sites including a Marine Rescue Unit and 5 LLAR houses.

The department can be split into three key delivery areas

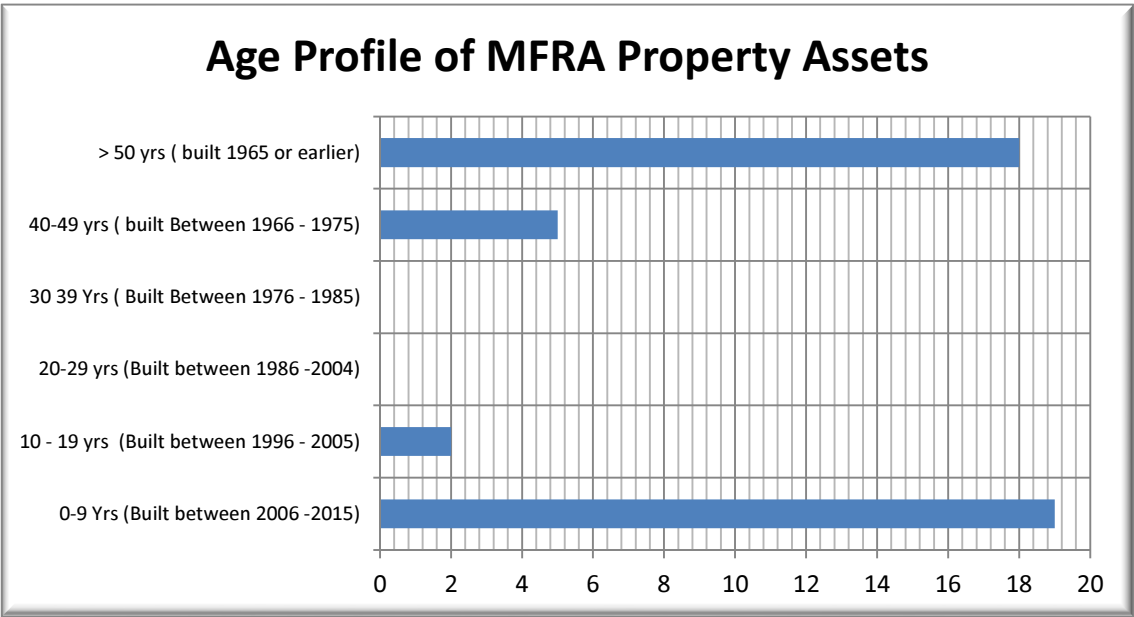
- Facilities Management – Bouygues Energies and services Ltd were awarded the five year contract to provide the Facilities service provision in July 2015, covering the following service lines - Cleaning, security, Reactive and Planned Maintenance, Helpdesk, condition monitoring, Waste, pest control, energy / environmental & Statutory compliance.
- Project Management – project management of all Major and minor capital build project are developed and managed within the department
- Private Funded Initiative (PFI) – Management of the 16 Northwest PFI built fire stations via Balfour Beatty.

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

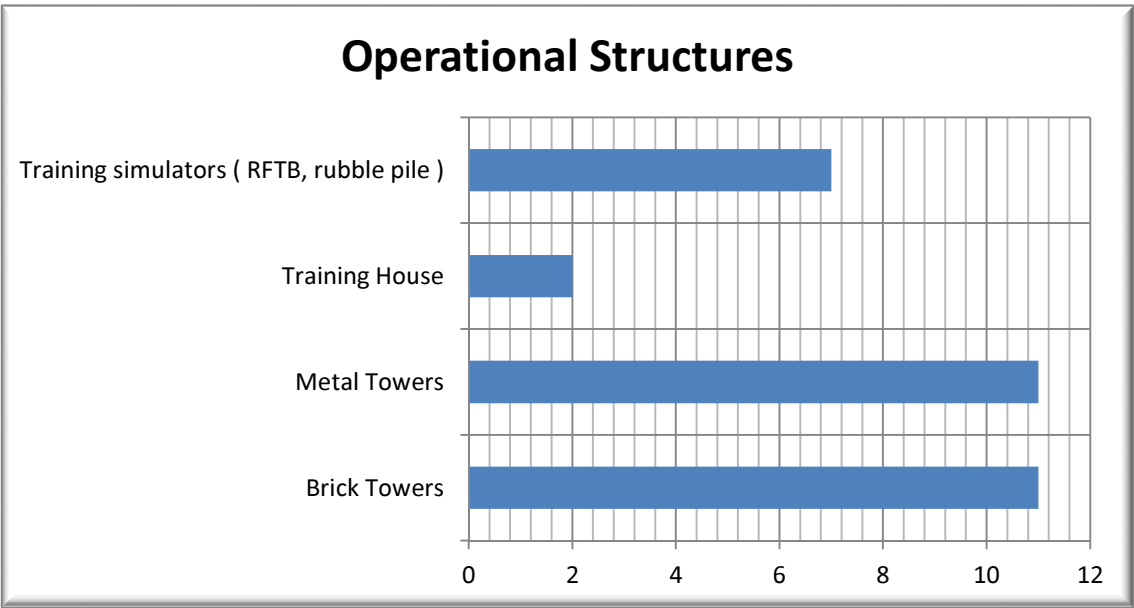
- Kensington Community Fire Station
- Marine Rescue Unit at the Pier Head
- 7 new PFI Stations :
- Bootle & Netherton Community Fire Station
- Southport Community Fire Station
- Formby Community Fire Station
- Belle Vale Community Fire Station
- Newton Le Willows Community Fire Station
- Birkenhead Community Fire Station
- Kirkdale Community Fire Station
- Toxteth Community Fire station & 'Fire Fit Hub' Youth Facility
- Joint Control Centre
- Refurbishment of Service Headquarters Building

The Estate comprises of a mixture of Buildings dating back to 1926 with still over half the estate being greater than 40 years old. The historic nature of the estates means that many of the properties are old fashioned, lack community facilities and are unwelcoming to the local community. There is a high maintenance requirement associated with the older buildings which are oversized and environmentally inefficient; this clearly provides a challenge for the Estates

department managing a high level of backlog maintenance which also increases the levels of reactive works.



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



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

2 Property Aims & Objectives

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

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

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

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

3 Review of Current Property Assets

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

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

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

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

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

A quinquennial valuation report was completed in March 2015 which shows the current asset book value (land & buildings) to be £63m.

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

- Carbon output of all buildings
- Electricity used by MFRS buildings divided by floor space
- Gas used by all MFRS buildings divided by floor space
- Water used by all MFRS buildings divided by floor space
- Waste generated per person per annum
- % of high risk (category 1 & 2) environmental incidents

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

4 Property Asset Management Strategy

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

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

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

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

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

5 Property Asset Monitoring.

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

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

Information contained with the report:

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

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

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

- Structural inspection of training structures over a 5 year cycle
- Annual Inspection of Hot Fire training Units
- 5 yearly fixed electrical inspections
- Annual Portable appliance testing
- 5 yearly M & E asset condition surveys

- 5 yearly detailed Property / valuation condition survey
- Annual fitness equipment inspections
- Statutory inspections with frequencies ranging from 1 -5 years

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

6 Property Asset Capital Spend Strategy

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

- Upgrade Works
- Energy Conservation Works
- Major Site Refurbishments
- New Build

These are explained in the following table:

Property Assets Capital spend Matrix

	Spend	Why	Benefit
Upgrade works	<p>Spend on the existing asset / Infrastructure</p> <p>e.g. upgrade of external lighting, replacing of floor coverings</p>	This spend stops the assets / Infrastructure failing or becoming out of date	<p>More than just 'keeping' the lights on.</p> <p>Ensure Assets and systems are robust, secure and resilient.</p>
Energy Conservation Works	<p>Projects that produce a reduction in energy costs.</p> <p>Help reduce and meet the authority's carbon commitment</p> <p>Use of LED lighting, installing Building management systems</p>	This spend delivers value for money, innovation and savings where appropriate.	accommodating change with a focus on a sound business case and clear deliverables
Major Site Refurbishment works	<p>Spend on Specific Projects where the Asset / premises is an enabler to change or becoming towards the end of it useful life.</p> <p>e.g. refurbishment of 30 year old station,</p>	This spend delivers the Authority's IRMP	<p>Safer, stronger communities; safe effective Fire fighters.</p> <p>Asset value increases</p>

New Build	Spend on Specific New build projects	This spend delivers the Authority's IRMP	Protecting public safety and increasing resilience. New Asset value
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The 5 year Property capital Budget for 2016 /2021 can be found in appendix C – 5 year capital programme.

Appendix A – Summary of Property Assets

FIRE STATIONS					
ID	Property	Details			
10	Kirkdale Studholme St Liverpool	Date Of Construction	2013	Total Floor Area (m2)	1872
		No of Appliance Bays	3	Total Site Area (acres)	0.95
11	City Centre St Annes St Liverpool	Date Of Construction	2006	Total Floor Area (m2)	1516
		No of Appliance Bays	4	Total Site Area (acres)	0.59
12	Kensington Beech St Liverpool	Date Of Construction	2010	Total Floor Area (m2)	962
		No of Appliance Bays	2	Total Site Area (acres)	0.025
14	Speke and Garston Cartwrights Farm Road	Date of Construction	1999	Total Floor Area (m2)	1331
		No of Appliance Bays	3	Total Site Area (acres)	1.1
15	Toxteth Windsor St Liverpool	Date of Construction	2013	Total Floor Area (m2)	885
		No of Appliance Bays	2	Total Site Area (acres)	
16	Old Swan Queens Drive Liverpool	Date of Construction	1999	Total Floor Area (m2)	1331
		No of Appliance Bays	3	Total Site Area (acres)	1.55
17	Belle Vale Childwall Valley Road	Date of Construction	2013	Total Floor Area (m2)	1596
		No of Appliance Bays	2	Total Site Area (acres)	0.95
18	Aintree Longmoor Lane Liverpool	Date of Construction	1926	Total Floor Area (m2)	691
		No of Appliance Bays	3	Total Site Area (acres)	0.43
19	Croxteth Storrington Ave Liverpool	Date of Construction	1950 (1980)	Total Floor Area (m2)	1372
		No of Appliance Bays	4	Total Site Area (acres)	0.46
20	Birkenhead Exmouth St, Wirral	Date of Construction	2013	Total Floor Area (m2)	1204
		No of Appliance Bays	3	Total Site Area (acres)	0.85
21	Bromborough Dock Road, Wirral	Date of Construction	1959	Total Floor Area (m2)	926
		No of Appliance Bays	3	Total Site Area (acres)	0.8
22	Heswall Telegraph Road, Wirral	Date of Construction	1940	Total Floor Area (m2)	660
		No of Appliance Bays	3	Total Site Area (acres)	0.48
23	Upton Arrow Park Road, Wirral	Date of Construction	1963	Total Floor Area (m2)	541
		No of Appliance Bays	2	Total Site Area (acres)	0.77
24	West Kirby The Concourse, Wirral	Date of Construction	1973	Total Floor Area (m2)	547
		No of Appliance Bays	3	Total Site Area (acres)	0.46
25	Wallasey Mill Lane Wirral	Date of Construction	1973	Total Floor Area (m2)	1963
		No of Appliance Bays	6	Total Site Area (acres)	1.2
30	Bootle & Netherton Buckley Hill Bootle	Date of Construction	2013	Total Floor Area (m2)	1421
		No of Appliance Bays	2	Total Site Area (acres)	1.2
31	Crosby Crosby Road North	Date of Construction	1961	Total Floor Area (m2)	1015
		No of Appliance Bays	3	Total Site Area (acres)	0.9
32	Formby Church Road Formby	Date of Construction	2012	Total Floor Area (m2)	813
		No of Appliance Bays	2	Total Site Area (acres)	0.57
33	Southport Manchester Road	Date of Construction	2013	Total Floor Area (m2)	1649
		No of Appliance Bays	5	Total Site Area (acres)	0.7
40	Huyton Huyton Lane Huyton	Date of Construction	1960	Total Floor Area (m2)	515
		No of Appliance Bays	2	Total Site Area (acres)	0.64
41	Whiston Fire Station Rd, Whiston	Date of Construction	1933	Total Floor Area (m2)	442
		No of Appliance Bays	2	Total Site Area (acres)	0.25
42	Kirkby Webster Drive Liverpool	Date of Construction	1960	Total Floor Area (m2)	915
		No of Appliance Bays	2	Total Site Area (acres)	1
50	St Helens Parr Stocks Road	Date of Construction	1957	Total Floor Area (m2)	2487
		No of Appliance Bays	5	Total Site Area (acres)	2.3
51	Newton Boron Road	Date of Construction	2012	Total Floor Area (m2)	813
		No of Appliance Bays	2	Total Site Area (acres)	0.55
52	Eccleston Millfields, St Helens	Date of Construction	1972	Total Floor Area (m2)	710
		No of Appliance Bays	2	Total Site Area (acres)	0.96

Non Operational Sites					
15	Toxteth Fire Fit Hub Windsor Street	Date of Construction No of Appliance Bays	2013	Total Floor Area (m2) Total Site Area (acres)	3427 3.6
71	Service Headquarters Bridle Road	Date of Construction No of Appliance Bays	1965	Total Floor Area (m2) Total Site Area (acres)	3310 5.6
71	Joint Control Centre Bridle Road	Date of Construction No of Appliance Bays	2014	Total Floor Area (m2) Total Site Area (acres)	3710
19b	Training School TDA Storrington Avenue, Liverpool	Date of Construction No of Appliance Bays	1960	Total Floor Area (m2) Total Site Area (acres)	2920 3.95
19c	SRT Garage Croxteth Storrington Avenue	Date of Construction No of Appliance Bays	2011 7	Total Floor Area (m2) Total Site Area (acres)	857
V1	Vesty Unit 1 Vesty Business Park, Vesty Road	Date of Construction No of Appliance Bays	2008	Total Floor Area (m2) Total Site Area (acres)	3505 2
V5A	Vesty Unit 5A Vesty Business Park, Vesty Road	Date of Construction No of Appliance Bays	2008	Total Floor Area (m2) Total Site Area (acres)	378 0.4
V5B	Vesty Unit 5B Vesty Business Park, Vesty Road	Date of Construction No of Appliance Bays	2008	Total Floor Area (m2) Total Site Area (acres)	378 4
81	Marine Fire 1 Pier Head, Liverpool	Date of Construction No of Appliance Bays	2012	Total Floor Area (m2) Total Site Area (acres)	251 n/a
13a	Allerton LLAR Mather Avenue	Date of Construction No of Appliance Bays	1928	Total Floor Area (m2) Total Site Area (acres)	150
32a	Formby LLAR 32 The Hamptons, Formby	Date of Construction No of Appliance Bays	2010	Total Floor Area (m2) Total Site Area (acres)	166
51a	Newton Le Willows LLAR 26 Silverdale Road, Newton le willows	Date of Construction No of Appliance Bays	1974	Total Floor Area (m2) Total Site Area (acres)	165
51b	Newton Le Willows LLAR 23 Borron Road, Newton Le willows	Date of Construction No of Appliance Bays	1974	Total Floor Area (m2) Total Site Area (acres)	135
24a	West Kirby LLAR 4 Westbourne Grove	Date of Construction No of Appliance Bays	1910	Total Floor Area (m2) Total Site Area (acres)	196
17a	Belle Vale LLAR Childwall Valley Road	Date of Construction No of Appliance Bays	2010	Total Floor Area (m2) Total Site Area (acres)	209
18a	Old Stores Richie Avenue	Date of Construction No of Appliance Bays	1926	Total Floor Area (m2) Total Site Area (acres)	240 0.2
51c	Newton Ambulance Silverdale Road, Newton Le Willows	Date of Construction No of Appliance Bays	1960	Total Floor Area (m2) Total Site Area (acres)	250 0.22
32a	Cable Street Garage 3a Cable Street, Formby	Date of Construction No of Appliance Bays	1920	Total Floor Area (m2) Total Site Area (acres)	547 0.2
13	Allerton Fire Station Mather Avenue	Date of Construction No of Appliance Bays	1928 3	Total Floor Area (m2) Total Site Area (acres)	647 0.37

Asset by Station	Quantity
Kirkdale	PFI
City Centre	148
Kensington	97
Speke & Garton	107
Toxteth	196
Old Swan	104
Belle Vale	PFI
Aintree	78
Croxteth	156
Birkenhead	PFI
Bromborough	102
Heswall	102
Upton	80
West Kirby	83
Wallasey	120
Bootle & Netherton	PFI
Crosby	100
Formby	PFI
Southport	PFI
Huyton	79
Whiston	63
Kirby	99
St Helens	172
Newton	PFI
Eccleston	84
Allerton	n/a
SHQ /JCC	560
TDA	83
Vesty 1	150
Vesty 5a	80
Vesty 5b	80
Marine Fire 1	62
Allerton LLAR	n/a
Formby LLAR	42
Newton Le Willows LLAR - 26 Silverdale	19
Newton Le Willows LLAR - 23 Borron Road	19
West Kikby LLAR - 4 Westbourne Grove	20
Belle Vale LLAR	34
Richie Avenue	n/a
Newton - old Ambulance Station	n/a
Formby - Old Garage	n/a

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

Appendix B – Summary of Key Property Projects

Location	Project	Project Status	Estimated Start Date	Estimated Completion Date
Prescot	Construction of a three bay fire station / training facility and Partner accommodation for Merseyside Police	Planning Permission granted 14 th January 2016	Feb '16	Feb '17
Saughall Massie	Construction of a two bay fire station / training facility	Feasibility stage / Pre planning	Aug`16	Aug`17
St Helens	Construction of a three bay fire station / training facility and Possibly partner accommodation for Merseyside Police	Feasibility stage	Aug 16	Aug 17
Newton Le Willows	Construction of a five bed LLAR house with blue light partner accommodation	Feasibility stage	Feb`16	Oct`16
Formby	Construction of a five bed LLAR house with blue light partner accommodation	Feasibility stage	Feb`16	Oct`17
JCC	Extension for NWAS Control	Feasibility stage	Jan`15	Jan`16 for decision
SHQ	Upgrade to electrical supply capacity	Feasibility stage	tbc	tbc
Aintree	Repair to Training Tower	Tender stage		Feb`16
Croxteth	Replacement of roof on annex building	Quotes	Oct` 15	Feb`16
Croxteth	Replacement of Appliance bay doors		Apr`17	Aug`17
TDA	Review of training facilities and the possible requirement of a high rise training scenario	Consultation		Apr`18
TDA / Croxteth	Review of accommodation / facilities for new recruits / day crew based staff	Feasibility	Feb`16	
Vesty 1	Construction of an internal 24 hr emergency store room	Design	Oct`15	Apr`16
Various stations	Construction of individual study rooms across 24/hr duty system station	Ongoing		Jun`16
Various stations	Adaptation to fire stations to meet current Equality Act. Provide access to all	Ongoing		Dec`16
Museum	Extension to the Heritage Museum	Feasibility		Dec`16
City Centre	Demolish Claire's building and	Feasibility		Dec`16

	construct training tower			
Allerton	Disposal of site	ongoing		Mar`16
Heswall	Major Refurbishment	Feasibility	Oct`15	Mar`17
Kirkby	Major Refurbishment	Feasibility	Apr`16	Mar`17
Speke	Major Refurbishment	Feasibility	Apr`17	Mar`18
Old Swan	Major Refurbishment	Feasibility	Apr`17	Mar`18
Brombough	Major Refurbishment	Feasibility	Apr`16	Mar`17

Appendix C – 2016/2021 Build / Land Five Year Capital Programme

Type of Capital Expenditure	Total Cost £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
<u>Major Site Refurbishments</u>							
BLD039 FS Refurbishment Heswall	350,000		350,000				
BLD041 FS Refurbishment Aintree	15,000	15,000					
BLD042 St Helens Refurbishment	10,000	10,000					
BLD055 FS Refurbishment Bromborough	350,000			350,000			
BLD063 FS Refurbishment Kirkby	375,000	25,000	350,000				
BLD070 Workshop Enhancement	250,000	150,000	100,000				
BLD071 Station Refresh	125,000	25,000	25,000	25,000	25,000	25,000	
BLD076 FS Refurbishment Huyton	25,000	25,000					
BLD077 FS Refurbishment Upton	25,000	25,000					
BLD084 FS Refurbishment Croxteth	300,000		150,000	0	0	150,000	
BLD085 FS Refurbishment Speke/Garston	300,000		50,000	250,000	0	0	
BLD086 FS Refurbishment Old Swan	300,000		50,000	0	250,000	0	
BLD087 FS Refurbishment City Centre	150,000		150,000	0	0	0	
BLD088 FS Refurbishment Kensington	40,000		40,000	0	0	0	
BLD089 FS Refurbishment Toxteth/Hub- FS Element	100,000					100,000	
BLD089 FS Refurbishment Toxteth/Hub-Hub Element	100,000					100,000	
BLD090 FS Refurbishment Wallasey	25,000		25,000	0	0	0	
BLD093 Refurbishment MF1	150,000		0	0	0	150,000	
BLD016 Community Station Investment	161,500	36,500	25,000	25,000	25,000	25,000	25,000
BLD079 Station Refurbishments	25,000						25,000
TDA001 Fire house refurbishment	30,000		30,000				
BLD091 Refurbishment TDA	1,100,000	100,000	0	1,000,000			
	4,306,500	411,500	1,345,000	1,650,000	300,000	550,000	50,000
<u>Station Mergers</u>							
BLD080 Prescot FS New Build (CFO/095/14)	5,350,000	1,000,000	4,350,000				

BLD082	Saughall Massie FS New Build (CFO/058/15)	4,200,000	200,000	3,000,000	1,000,000			
BLD083	St Helens FS New Build (CFO/059/15)	5,250,000		4,250,000	1,000,000			
		14,800,000	1,200,000	11,600,000	2,000,000	0	0	0
	SHQ Main Building							
BLD068	SHQ Joint Control Room	395,000	395,000					
BLD081	SHQ Stage C Works	727,600	727,600					
		1,122,600	1,122,600	0	0	0	0	0
	Other							
BLD072	SHQ Tower	14,500	14,500					
BLD073	SHQ Museum	191,000		191,000				
		205,500	14,500	191,000	0	0	0	0
	LLAR Accommodation Works							
BLD036	LLAR Accommodation Formby	310,000		310,000				
BLD075	LLAR Accommodation Newton-le-Willows	310,000		310,000				
BLD050	LLAR Accommodation Belle Vale	50,000		25,000			25,000	
		670,000	0	645,000	0	0	25,000	0
	General Station Upgrade Works							
BLD001	Roofs & Canopy Replacements	240,000	40,000	40,000	40,000	40,000	40,000	40,000
BLD004	Concrete Yard Repairs	120,000	20,000	20,000	20,000	20,000	20,000	20,000
BLD005	Tower Improvements	68,000	10,000	18,000	10,000	10,000	10,000	10,000
BLD013	Non Slip Coating to Appliance Room Floors	200,000	40,000	40,000	30,000	30,000	30,000	30,000
BLD014	Boiler Replacements	90,000	15,000	15,000	15,000	15,000	15,000	15,000
BLD020	Electrical Testing	190,000	70,000	30,000	30,000	20,000	20,000	20,000
BLD031	Diesel Tanks <i>Slip</i>	150,000	20,000	130,000				
BLD033	Sanitary Accommodation Refurbishment	199,000	79,000	30,000	30,000	20,000	20,000	20,000
BLD044	Asbestos Surveys	105,000	25,000	25,000	25,000	10,000	10,000	10,000
BLD060	DDA Compliance	310,000	100,000	100,000	50,000	20,000	20,000	20,000
		1,672,000	419,000	448,000	250,000	185,000	185,000	185,000
	Other Works							
BLD007	L.E.V. System in Appliance Rooms	26,100	1,100	5,000	5,000	5,000	5,000	5,000
BLD018	Conference Facilities SHQ	40,000	10,000	10,000	5,000	5,000	5,000	5,000

BLD026	Corporate Signage	30,000	5,000	5,000	5,000	5,000	5,000	5,000
BLD032	Power Strategy	60,000		20,000	10,000	10,000	10,000	10,000
BLD034	Office Accommodation	112,000	27,000	25,000	15,000	15,000	15,000	15,000
BLD058	HVAC - Heating, Ventilation & Air Con	165,000	30,000	30,000	30,000	25,000	25,000	25,000
BLD061	Lightening Conductors & Surge Protection	60,000	10,000	10,000	10,000	10,000	10,000	10,000
BLD062	Emergency Lighting	30,000	5,000	5,000	5,000	5,000	5,000	5,000
BLD067	Gym Equipment Replacement	180,000	40,000	40,000	40,000	20,000	20,000	20,000
BLD092	Service Headquarters Offices	200,000		200,000				
CON001	Energy Conservation Non-Salix	183,500	58,500	25,000	25,000	25,000	25,000	25,000
CON002	Energy Conservation Salix		75,000					
EQU002	Replacement programme for Fridge Freezers	60,000	10,000	10,000	10,000	10,000	10,000	10,000
EQU003	Furniture Replacement Programme	63,000	10,500	10,500	10,500	10,500	10,500	10,500
		1,284,600	282,100	395,500	170,500	145,500	145,500	145,500
		24,061,200	3,449,700	14,624,500	4,070,500	630,500	905,500	380,500

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ICT Asset Management Plan

2016 - 2021

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ICT Asset Management Plan

1 Overview

1.1 Information & Communication Technology (ICT)

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

ICT can be split into five key delivery areas

- ICT Infrastructure (Data Network, Voice & Radio Networks, Personal Devices, Servers, Printers etc.)
- ICT Service Desk
- Commodity Applications that run on the ICT Infrastructure (Microsoft Office & E-Mail)
- Fire Control Applications that run on the ICT Infrastructure (Vision FX CAD, Vision FX BOSS, ICCS, Seed and StARS)
- Corporate and 'In House' Developed Applications that run on the ICT Infrastructure (E-Financials, PIPS, Portal, Fleet Management & OSHENS)

The Authority has an in-house ICT team of five staff who proactively manage the existing outsourced ICT Infrastructure Service Provision £1.8m contract with its ICT partner telent. ICT & telent ensure the maintenance of vital '999' emergency response infrastructure, as well as continuing to expand the use of ICT technology in managing our resources more effectively in line with the risks facing firefighters, the communities of Merseyside and the organisational processes of the Authority.

ICT Infrastructure Life Cycle Management: carried out by telent on behalf of the Authority is done so in line with best practice from the ITIL framework. The processes are mature and at the same time providing an infrastructure that is robust, secure, reliable and resilient; telent continue to deliver savings and innovation through initiatives such as Skype for Business, whilst continuing to provide a high performing ICT Service Desk.

ICT and telent are responsible for Application Life Cycle Management of Commodity and Fire Control Applications, whilst the Finance Team and the Strategy and Performance Directorate are responsible for Application Life Cycle Management for Corporate and In-House Developed Applications.

1.2 Asset Management

ICT Asset Management carried out by ICT, on behalf of the Authority is done so in line with ITIL (Information Technology Infrastructure Library). ITIL is a set of best practices and processes for the management of the ICT Infrastructure and the delivery of services and support

In line with the organisations policy for Asset Management, the physical life cycle of an ICT Asset has four distinct phases:

- Planning
- Acquisition
- Operation
- Disposal

And ICT follows five major principles:

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

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

2 ICT Asset Management Strategy

ITIL ICT Asset Management (ITAM) is the set of business practices that join financial, contractual and inventory functions to support life cycle management and strategic decision making for the ICT environment. ICT Assets include all elements of software and hardware that are found in the organisation environment.

Under ITIL ICT Asset Management, ICT manages its assets effectively to help deliver its strategic priorities and service in line with risk, providing value for money services for the benefit of the local community:

ICT has all of its ICT Assets recorded in a Configuration Management System. This system is a database which records details of all the ICT assets and their age, thus enabling ICT to effectively manage the lifecycle of its Infrastructure. The database where the Asset information is held is on a Service Management System called "Remedy". This gives the benefit of being able to link ICT Incidents, Assets and People to enable a more in depth trend analysis to be performed around ICT Asset Management decisions.

ICT has a Service Catalogue, which outlines all the ICT services provided. Included in this the catalogue are references to the Capacity Planning, Security and Preventative Maintenance carried out on ICT Assets.

ICT has a robust reporting process to provide systematic and timely reporting of compliance and performance to enable prompt asset-related decision-making regarding ICT Assets

ICT has a Service Pipeline. The Service Pipeline comprises of new ICT services under development and these developments lead to new or change of use of ICT Assets (See Section "5 ICT Assets Service Pipeline for further details).

To manage the ICT Five Year Capital Asset Investment Plan ICT classifies spend in to four categories:

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

ICT has a 5 year lifecycle renewal policy for ICT hardware Assets such as personal computers and servers at which point ICT Assets will be considered end of life.

ICT has a 5-10 year lifecycle renewal policy for ICT hardware Assets such as Network Switches and Telephony at which point ICT Assets will be considered end of life.

When an ICT Asset is highlighted as end of life, its role is reviewed and if still required a new asset will be purchased.

Adopting a best practice, Asset Management and Configuration Management solution allows ICT to understand:

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

As a result the following benefits have been realised:

- Accurate information on all ICT Assets provides ICT with the ability to deliver and support its services
- Trend analysis can be carried out against Assets to aid Incident and Problem solving
- Improved ICT security through advanced ICT Asset control
- Improved financial planning through clear identification of all assets and their associated relationships
- Improved software license management ensuring legal compliance
- Increased confidence in ICT Systems and ICT Services
- Increased customer satisfaction

A snapshot in time list of the Authority's Hardware ICT Assets can be found in "Appendix A – Summary of ICT Infrastructure Assets". This list can be requested and produced from the Service Management application, Remedy to give a real time view of the ICT Asset holding. On a yearly basis the list is produced for insurance calculation purposes.

The system is also used for various analytical tasks including:

- Identification of obsolete ICT Assets based on a purchase date
- Identification of current & previous ICT Asset Owners
- ICT Asset Rationalisation

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

In line with ITIL, ICT has a Definitive Software Library (DSL) to improve the way it tracks software and performs Application Lifecycle Management.

3 ICT Infrastructure Asset Monitoring Activities

ICT maintains an up to date Service Catalogue which outlines all the ICT services provided. Included in this the catalogue are references to the Capacity Planning, Security, and Preventative Maintenance all of which are examples of activities carried out on ICT Assets.

Capacity Planning

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

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

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

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

Security

“The Authority requires multiple levels of security on Managed Devices to defend against malicious behaviour and mitigate the risk to the Authority

The Authority utilises 3ami Monitoring and Audit System (MAS) to track changes to hardware and software throughout the organisation. MAS captures and securely stores records of all user activity including internet, email, word processing, spreadsheet applications, instant messaging and online activity.

Sophos Endpoint Protection is used to secure the Authorities systems including but not limited to; Windows Servers, Windows Desktops, Windows Laptops, I-pads and mobile devices against viruses, malware, advanced threats and targeted attacks.

Mobile Device Management is provided by Sophos Mobile Control and Good for Enterprise, used to secure corporate mobile devices and tablets. Features include remote lock, remote wipe, location finder, reset passwords, remote install/uninstall of applications and decommissioning.

Websense is used to protect End User devices from spam, viruses and other malicious threats via email and internet. The solution configuration is hybrid hosted and on premise.

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

Device Preventative Maintenance

“Telent is responsible for device preventive maintenance including, planned maintenance activity designed to improve equipment life and avoid any unplanned maintenance activity

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

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

Windows critical updates are installed via the WSUS server and recommended updates are reviewed and tested before installing on End User Devices.

Where possible Sophos Mobile control is used to manage ‘non-windows’ devices’

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

Note: The full ICT Service Catalogue is too large to be an attachment but it can be accessed on request to ICT.

4 ICT Infrastructure Asset Monitoring Reports

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

Service Desk Support Report – Monthly

The monthly ICT Service Desk Performance Report is provided to enable telent, ICT and the Authority's officers to review the Service Delivery of ICT for the Authority, against the Service Delivery standard detail in the Authority's Service Provision Agreement Dated April 2009.

ICT Infrastructure Usage Report – Monthly

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

Information Security Report – Monthly

The monthly Information Security report provides telent, ICT and the Authority's officers (including Senior Information Risk Owner (SIRO)) with relevant information that supports the Authority's Information Security Policy. It is posted on the portal and is reviewed at the Information Security Forum.

Problem Management Reports – Monthly

In line with ITIL Service Management processes, this report provides the statistical analysis and evidence that supports Problem Management.

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

Major Incident Management Reports – Ad Hoc

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

5 ICT Assets Service Pipeline

The Service Pipeline comprises of new ICT services under development and these developments lead to new or change of use of ICT Assets. ICT has six main areas associated with the Service Pipeline

- ICT Service Requests
- Business System Relationship Management
- ICT Continuous Improvement
- Lifecycle Management
- ICT and IM Steering Group
- Other ITIL Standards

A full list of Key ICT Projects can be found in Appendix B – Key ICT Projects and Activities.

5.1 ICT Service Request

The ICT Service desk issue ICT Request forms to allow users to request simple technical changes, information, enquiries or hardware and software changes. E.g. mobile phones.

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

5.2 Business System Relationship Management

Reporting to the Head of Technology; this role acts as the liaison between ICT and the organisation to understand its strategic, and operational needs. Acting as a single point of contact for senior stakeholders ensuring understanding of available and future ICT Infrastructure Services, promoting financial and commercial awareness in order to deliver value-for-money.

Representing the organisations needs and interest within ICT, contributing to the ICT Continual Service Improvement process (see below), assisting with the supervision and prioritisation of ICT Infrastructure Services projects.

5.3 ICT Continuous Service Improvement

The purpose of the ICT Continual Service Improvement meeting is to ensure that cost-justifiable ICT capacity in all areas of ICT exists and is matched to the current and future agreed needs of the business in a timely manner.

A key focus is on increasing the efficiency, maximizing the effectiveness and optimising the cost of services and the underlying ICT service management

Meetings follow a six week cycle and the process is documented in the Continual Service Improvement Register.

This Continuous Service Improvement (CSI) process is now firmly embedded in the ICT and the Key benefits have been:

- Clarity of ownership
- Clarity of requirements
- Clarity & management of cost
- Visibility and tracking progress
- Forward Planning
- Resource Scheduling
- Identifying duplicate effort across the Authority's departments and or stations
- Ability to utilise information from archive

5.4 Life Cycle Management

The ICT challenge is to provide the most functional, flexible ICT Infrastructure possible, to host the Applications that deliver benefits to the organisation, all at the lowest cost of ownership. Meeting that challenge systematically through having the right people in the right structure, Infrastructure Lifecycle Management, Application Life Cycle Management and best practices such as ITIL (Information Technology Infrastructure Library) can lead to improvements in efficiency, performance, and cost management.

ICT Infrastructure Life Cycle Management

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

ICT Application Life Cycle Management

Encompasses the planning, design, acquisition, implementation, and management of all the elements comprising an Organisation's Application Portfolio.

ITIL (Information Technology Infrastructure Library)

Is the most widely accepted approach to ICT service management in the world.

5.5 ICT and IM Steering Group

The purpose of the ICT & IM Steering Group is to ensure that Information Communication and Technology (ICT), Application Provision and Information Management (IM) is co-ordinated and aligned to ensure the mission and objectives of the Authority are delivered as effectively as possible.

5.6 Other ITIL Standards

- A CAB (Change Advisory Board) has been set up which will ensure that only authorised changes are deployed to the Authority's infrastructure. This will also improve the communication between key system owners and ICT
- ICT maintain and develop a Definitive Software Library (DSL). It will ensure that:
 - A secure compound is established in which master copies of all authorised versions of the organisation's software are stored and protected.
 - All documents pertaining to applications are stored in a central location for example number of users, location of users, contact details of suppliers and Service Level Agreements (SLAs).
- ICT set minimum release management standards which 3rd party suppliers are expected and contracted to reach.

6 ICT Asset Replacement Policy

ICT has in place procedures to trace the acquisition, deployment, management and disposal of ICT Assets under their Control.

Some of the primary goals for Asset replacement are:

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

6.1 ICT Asset Purchasing

In the main the Authority owns the ICT Assets. When ICT Assets are purchased by ICT, the following applies, for

- small quantities of ICT Commodity items; the Authority's ICT out sourced partner will seek quotes and Authority will purchase
- large quantities of ICT Commodity items; the Authority's ICT out sourced partner will specify requirements but the Authority's Procurement will run mini-competitions and Authority's will purchase
- ICT Assets which require complex installation or if priority support is required; the Authority's out sourced partner specify and purchase the item on Authority's behalf & then Authority's pay via change control.

In such cases the Authority's ICT out sourced partner are requested to run a mini competition and produce options for Authority's to select

- Purchase is done via the Contract Change Control procedure and the Change Control Note (CCN) is signed off by ICT, Procurement and legal. No mark-up is charged by Authority's ICT out sourced partner as the contract makes provision for Commercial services

6.2 ICT Asset Disposal

ICT has in place procedures for the disposal of ICT Assets via a company called "Computer Waste". Computer Waste is an ATF (Authorised Treatment Facility) fully registered by the environmental agency. The company specialises in the recycling of WEEE (Waste Electrical and Electronic Equipment).

- All ICT assets disposed of with Computer Waste are recorded on a waste transfer note that is signed and presented to MF&RS for audit purposes.
- Hard Drives are destroyed on MF&RS premises witnessed by a member of the ICT outsource service provider "telent", and an accompanying destruction certificate is presented to MF&RS for audit purposes.

6.3 Fire Control Applications and Infrastructure Assets

There are 5 high level areas of ICT in Fire Control.

- Computer Aided Despatch (CAD); this is where incoming emergency calls are logged and the appropriate resources mobilised to the incidents. The Authority use the Vision 3 FX CAD application
- An Integrated Communications Control System (ICCS); An ICCS is found at the centre of modern day control rooms and the Authority has a Capita DS3000. All communications that go into the control room such as 999 telephony calls, administration telephony calls, radio communication and CCTV plug in to the ICCS. The control room staff then can manage these communications by accessing the ICCS from one place on their desktop.
- Wide Area Radio Scheme; Emergency services rely on seamless radio communications coverage to effectively perform their daily tasks. The Authority in line with the Police and Ambulance use Airwave.
- Data Mobilisation; Fire Control can mobilise crew to incidents by sending a message to the Mobile Data Terminal (MDT) installed in the Appliance. The Authority uses the SEED application.
- Management Information; providing senior officers with real time incident information and the organisation with incident history for trend analysis. The Authority use the Vision 3 FX BOSS application.

Reporting to the Head of Technology the ICT Application & Infrastructure Manager (Fire Control) works with the Authority's outsourced ICT partner to carry out appropriate Lifecycle Management to ensure Successful ICT Service delivery in line with Service Level Agreements. (SLAs). Activities include;

- Following of best practice ICT Asset Management
- The production of an individual business case for any major Fire Control Application or Infrastructure replacement or refresh.
- Spare holding to help meet SLA's.
- Year on year preventative maintenance in mid-October prior to the Bonfire period. This is done for both Primary and Secondary Fire Control Infrastructure and Applications.
- Regular relocation exercises to Secondary Fire Control.

6.4 ICT Infrastructure Assets

ICT has a 5 year lifecycle renewal policy for ICT hardware Assets such as personal computers and servers at which point ICT Assets will be considered end of life. A 3 year equipment life was considered but the increased capital spend was deemed to be excessive at this point in time.

ICT has a 5-10 year lifecycle renewal policy for ICT hardware Assets such as Network Switches and Telephony at which point ICT Assets will be considered end of life

ICT Assets could also be replaced on an ad-hoc basis but this would lead to difficult budget forecasting with some years seeing larger budget increases than others. If, however, ITIL problem management analysis identifies an ICT Hardware Asset that is repeatedly problematic, causing a break in service, the equipment would be considered for replacement before its 5 year equipment life.

6.5 ICT Commodity Application Assets

ICT is responsible for ensuring the Authority has an Application Life Cycle Management strategy for all its Commodity Applications. Working closely with all departments to develop and manage organisational Commodity Applications and agreeing and monitoring ICT application Service Level Agreements.

Microsoft Software: Enterprise Agreement:

In 2015 Microsoft informed Licensing Solution Providers (LSPs) that PSA12 would expired on April 30th.

PSA12 was a Memorandum of Understanding (MOU) with the Government Procurement Service (GPS), and was an amended continuation of PSA09 contractual concessions and discounts which was in effect until June 30th 2012 for the Government and Public Sector

As Microsoft continues to adopt pricing and licensing models to incentivise adoption of cloud based subscription services, Microsoft have agreed a 'cloud-first' offer with the Crown Commercial Service (CCS) on behalf of Public Sector organisations in the UK.

The cloud first offer is called the Microsoft Cloud Transformation Agreement (CTA). The Microsoft CTA was effective from May 1st 2015, and is a non-binding Memorandum of Understanding (MoU) with the Crown.

What this means to MF&RS is that our existing Microsoft Enterprise Agreement (EA) will be in place for 2016/2017 and in 2017/2018 MF&RS will be required to move to the new Microsoft CTA.

Anti-Virus and E-Mail Filtering:

ICT chosen anti-virus software “Sophos” protects the Authority from computer viruses and any other threats which may try to enter Authority’s Network.

ICT chosen E-Mail filtering Software “Websense” (also referred to as Surfcontrol) is used to filter email and quarantine non legitimate e-mail via the process of word detection. The words that result in the email being quarantined are recorded in a database and analysed on a monthly basis.

The licenses for the anti-virus and e-mail filtering are procured on a 3 year life cycle and prior to renewal a fit for purpose exercise is carried out.

6.6 Corporate Application Software:

The ICT Business Relationship Manager as well as acting as the liaison between ICT and the organisation has a key role to work with Strategy and Performance aligning their Corporate Application Lifecycle Management to the ICT Infrastructure.

7 ICT Asset Capital Spend Strategy

To manage the ICT Asset Investment process ICT classifies spend in to four categories:

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

These are explained in the following table:

ICT Capital Spend Matrix

	Spend	Why	Benefit
Underlying Spend	Spend on the existing ICT Infrastructure including Software, Desktops, Servers, Networks and Voice Communication e.g. upgrade of Station Switches	This spend stops the ICT Infrastructure and any software becoming out of date	More than just 'keeping' the lights on. An ICT enabled organisation whose systems are robust, secure and resilient with the ability to accommodate change
ICT Project Spend	Projects that: Deliver Authority changes Deliver Step changes in Technology e.g. Telephony	This spend delivers value for money, innovation and savings where appropriate.	ICT accommodating change with a focus on a sound business case and clear deliverables
Incident Risk Management Plan (IRMP) Project Spend	Spend on Specific IRMP Projects where ICT is a major enabler. e.g. Alerter	This spend delivers the Authority's IRMP	safer, stronger communities; safe effective Fire fighters
National FRS Projects	Spend on Specific National projects where ICT is a major enabler.	Spend to align the Authority's systems to National Initiatives	Protecting public safety and increasing the nation's resilience

The 2016/2021 Five Capital plan can be found in Appendix C – 2016/2021 ICT Five year Capital Plan.

Appendix A – Summary of ICT Infrastructure Assets

Fire Control Services Infrastructure	Quantity
Physical Servers (Licensed as part of C&C Solution)	19
Virtual Servers (Licensed as part of C&C Solution)	1
C&C Desktops (Licensed as part of C&C Solution)	24
Monitors	24
DS3000 ICCS Server	1
DS3000 ICCS Client	20
DS3000 ICCS touchscreen	20
Sennheiser UI760 amplifier	19
Capita VAIU	19
Airwave San H radio gateway	1
Stateboard	3
Cisco 2960g	5
Cisco ASA 5510 Firewall	2
Alerter Masts	13
Alerter Devices (multitone)	178
UHF Radio Set 2 (GP340)	149
UHF Radio Set 3 (GP340 Atex) for breathing apparatus	42
UHF Radio Set 4 (F61)	11
UHF Radio Set 5 (M1 Euro)	18
Station End Mobilising Processors	29
Station End Turnout Printers	36
Station End Auxiliary Relay Unit (ARU)	32
Station End Amplifiers	35
Station End UPS	40
IMT/IGMS Vehicles	1
Packets Atex/Marine Band/Motorola	266
Fire Control Headsets	40
Mobile Data terminals	99
Mobile Data Terminal touchscreen	98
Appliance printers	85
Airwave mobile radio SAN A	115
Airwave SAN J Radio	65
Airwave SAN B Radio	11
MDT Pump Bay Voice Terminal	85

Administration Infrastructure, Managed Servers & Desktop	Quantity
Domain Accounts (<i>includes service and 3rd party accounts</i>)	1855
Domain Accounts (<i>with Internet Access</i>)	1420
Domain Security Groups	379
Exchange Mailboxes	1634

Exchange Distribution Lists	309
Exchange External Contacts	143
Exchange Public Folders	223
Physical Servers	85
Virtual Servers	79
Desktops (<i>A limited number of users have two monitors</i>)	602
Laptops (<i>Most People have an external monitor</i>)	278
<i>Docking Stations (Most Laptop Users have an external monitor)</i>	115
Tough Books	60
Monitors	800
HP Printers	109
Brother Printers	2
Konica Minolta Multi-Function Devices (Contracted to July 2017)	60
ASA 5515X	5
ASA 5510	3
Router c819	1
Router c2921	2
Router c1841	23
Router c1921	6
Switch c4510r+e (not including supervisors and linecards)	1
Switch c3750G-24	2
Switch c3750G-48	2
Switch c3750-24	2
Switch c3750-48	12
Switch c3750V2-48	7
Switch c3560G	1
Switch c3560E	3
Switch c3560X	1
Switch c3560	1
Switch c3550-48	18
Switch c3550-24	21
Switch c2960G-24	2
Switch c2960G-48	4
Switch c2960S-24	9
Switch c2960S-48	6
AIR-CT5508-K9	1
LAP1141N	9
LAP1142N	47
SAP1602I	6
HP MSM325	30
HP MSM460	2
HP 2824	7
Cisco 1800 (<i>Telewest Managed Router at SHQ</i>)	1

Mitel Mxe	4
Mitel Cxi	8
Mitel IP Sets	700
Mitel 5310 Conferencing Phones	10

Miscellaneous	Quantity
Mobile Phones	470
iPhones	15
Smartphones	2
Blackberry	78
MTPAS Enabled Mobile SIMS	106
AVLS Enabled data sims	90
MDT Enables data sims	90
iPad	40
Tablets	8
USB Encrypted USB devices	150
3G Cards/Dongles	52
Modem	56
Fax	9
Scanners	9
Battery Chargers	96
CD Writers	3
CCTV Monitors	12
CCTV VCR	12
Smart Boards	32
Sony Video Conference Unit	1
IPTV - Server	1
IPTV - Gateways	3
IPTV - Receivers	40
Remote Access Tokens	100
Door Access Controller Server	1
Door Access Controllers	15
Door Access Card Printer	1
Door Access Cards	284
Door Access Proximity + Pin Readers	20
Door Access Push to Exit buttons	13
Door Access Break Glass Units	13
Smartboard and AV equipment	32
Running Call Phones	31
Panaboard	1

Appendix B – Key ICT Projects and Activities

ICT Asset Management Plan							
			Project Duration				
Appendix C - Key Projects and Activities							
		2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
ICT Support for other Directorate Initiatives	Underlying ICT Support for other Directorate Natives. E.g. Station Mergers, Closures and building refurbishment including Access Control						
Emergency Services Mobile Communication Plan (ESMCP)	The Service is scheduled to switch from the current Airwave communication system to an Emergency Services Network which will provide broadband connectivity which will allow us to utilise applications additional to Radio Comms						
Future Mobile Data Terminal Solution	As a minimum the replacement of the MDT Screen & CPU. This item is not included on the ESCMCP						
Data Mobilisation Enhancement	Data mobilisation over Airwave and possible replacement of the SEED application						
Computer Aided Despatch Upgrade	Upgrade of the CAD to Vision DS Planning Workshop.						

Total Replacement of Command and Control (including new ICCS)	Subject to future collaboration initiatives it is envisaged that a new Command & Control Solution replacement program will start in 2018/2019						
New ICT Managed Service Provision	Implement Efficiency and Innovation Initiatives as proposed in recent outsource contract negotiations						
TDA Communications Room Upgrade	Replacement of the Core data Network at the TDA						
Initial Embrace of Cloud Technology	Promote collaborative working between ICT and the organisation at a project level especially in the area of 'DevOps'. Move to Microsoft Azure and fundamentally review Microsoft Licencing						
Sophos and Websense.	Five year anniversary review of antivirus and filtering software which will result in a significant upgrade or replacement activity						
Enhanced Virtualisation Infrastructure	As virtualisation becomes more of a specialist application, it is believed that to utilise this new and specialist technology, MF&RS would need to purchase and implement a new commercial off the shelf offering.						
Future Tablet Solution	Currently a mix of iPad, laptops and tough books is in place. Once the Application Development strategy is confirmed for electronic forms a tablet solution will be sought.						

IPTV Asset Refresh	Lifecycle Management replacement of the 'hotel style' TV solution in SHQ						
Audio/Visual Conference Refresh	Lifecycle Management replacement of the Audio/Visual Conference equipment & hearing loop in SHQ						
Storage Area Network(SAN)	New SAN and backup SAN for Departmental and Home Folders						
Network Refresh	Individual Network refresh of SHQ, Vesty Rd, Stations and TDA						
IP Telephony Refresh	Upgrade of the desktop telephony system						
New ICT Infrastructure for the Portal	The basic ICT Infrastructure is in place. In the future this may be modified as the Portal team upgrade to SharePoint 2013						
Hearing Loop and Wi-Fi Expansion	Adaptions to Community Fire Stations to meet current Equality Act & to provide enhanced Community access.						
Further Skype Rollout	Skype for Business is being used in ICT and by the Station Managers. Phase two would be the trial of its use for external meetings, after which it will be rolled out to all.						

Two Factor Authentication	In line with Audit recommendation and as a requirement for future Code of Connections, rollout of Celestix DAX two factor authentication. To access the network remotely staff will use a fob which generates a second password.						
		2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021

Appendix C – 2016/2021 ICT Five Year Capital Plan

Type of Capital Expenditure		Total Cost	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
		£	£	£	£	£	£	£
<u>New Emergency Services Network (ESN)</u>								
ESN Radios / Infrastructure - Estimate		250,000			250,000			
<u>IT002</u>	<u>ICT Software</u>							
Software Licences		12,000	2,000	2,000	2,000	2,000	2,000	2,000
New Visualisation Infrastructure		75,000				75,000		
3 Year Licences Antivirus & Filtering		169,000			169,000			
Microsoft EA Agreement (Servers & Security)		300,000	60,000	60,000	60,000	60,000	60,000	
Microsoft EA Agreement (Office Desktop)		525,000	65,000	80,000	80,000	80,000	80,000	140,000
Microsoft SQL Upgrade		50,000	50,000					
		1,131,000	177,000	142,000	311,000	217,000	142,000	142,000
<u>IT003</u>	<u>ICT Hardware</u>							
PC, monitor and laptop replacement (target 20%)		452,900	72,900	80,000	80,000	80,000	70,000	70,000
PC, monitor and laptop growth		30,000	5,000	5,000	5,000	5,000	5,000	5,000
Peripherals replacement (target 20%)		63,900	33,900	6,000	6,000	6,000	6,000	6,000
Tablets (IPad)		90,000				30,000	30,000	30,000
LFS Laptops		40,000		40,000				
IP TV Asset Refresh		50,000					50,000	
Appliance Toughbook Replacement		110,000	110,000					
Audio Visual Conference Facility		120,000						120,000
		956,800	221,800	131,000	91,000	121,000	161,000	231,000
<u>IT005</u>	<u>ICT Servers</u>							
Server/storage replacement (target 20%)		390,000	65,000	65,000	65,000	65,000	65,000	65,000
Server/storage growth		110,000	15,000	15,000	15,000	15,000	25,000	25,000
New SAN Solution		100,000		100,000				
		600,000	80,000	180,000	80,000	80,000	90,000	90,000
<u>IT018</u>	<u>ICT Network</u>							
Local Area Network replacement (discrete)		24,000	4,000	4,000	4,000	4,000	4,000	4,000
Network Switches/Routers replacement		351,000	81,000	60,000	100,000	110,000		

Network Switches/Router growth		30,000	5,000	5,000	5,000	5,000	5,000	5,000
Network Switches/Router- for JCC/TDA Resilience		10,000					10,000	
Vesty Road Network Link Refresh		40,000					40,000	
IP Telephony		150,000	50,000	100,000				
Wireless Network		40,000		40,000				
		645,000	140,000	209,000	109,000	119,000	59,000	9,000
IT026	ICT Operational Equipment							
Pagers/Alerters		35,000		7,000	7,000	7,000	7,000	7,000
Station End Kit		25,000		5,000	5,000	5,000	5,000	5,000
Incident Ground Management System		50,000		50,000				
	MDT Replacement (Not incl. in ESMCP)	120,000						120,000
		230,000		62,000	12,000	12,000	12,000	132,000
SHQ/JCC Major Refurbishment								
IT051	JCC Airwave Solution	99,000	99,000					
IT053	JCC Backup MACC/Secondary Control	57,000	57,000					
		156,000	156,000					
Other IT Schemes								
IT027	ICT Security-Remote Access Security FOBS	12,000	2,000	2,000	2,000	2,000	2,000	2,000
IT028	System Development (Portal)	226,000	108,000	18,000	25,000	25,000	25,000	25,000
IT030	ICT Projects/Upgrades	25,000		5,000	5,000	5,000	5,000	5,000
IT034	E-Mail retention (legal requirement)							
IT037	Emerging Technologies							
IT040	Integrated Planning & Performance M.S.	14,000		14,000				
IT046	TRM System	32,500	32,500					
IT049	Wireless Rollout	18,300	18,300					
IT050	Community Protection IMS System	30,000	30,000					
IT055	C.3.I.C.&C Communication & Info System	83,000	8,000	15,000	15,000	15,000	15,000	15,000
IT056	P.F.I. Door Access System	18,000	18,000					
IT057	Fleet Management System	12,000	12,000					
FIN001	FMIS/Eproc/Payroll/HR Replacement	108,500	108,500					
		579,300	337,300	54,000	47,000	47,000	47,000	47,000
		4,548,100	1,112,100	778,000	900,000	596,000	511,000	651,000



Transport Asset Management Plan

2016 / 2021

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Transport Asset Management Plan

1 Overview

This plan supersedes all previous Transport Asset Management Plans and covers the period 2016-2021. The plan is updated on an annual basis in conjunction with the Capital finance programme. This plan details all information relevant to the management and maintenance of the Merseyside Fire and Rescue Service (MFRS) vehicle fleet and is kept live with the assistance of the ICT based Tranman system.

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

The Transport Asset Management Plan assists the Service by

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

The objectives of the Transport Function are,

- To support MFRS aims and objectives,
- To ensure the most efficient support and use of transport resources,
- To maintain the appropriate levels of operational capability,
- To reduce costs and provide a cost effective environmental impact,
- To maintain a level of flexibility to adjust to the changing demands of MFRS,
- To facilitate the long term planning of transport assets.

2 Capital Expenditure

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

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

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

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

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

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

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

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

3. Transport Function

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

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

The transport function main areas of responsibility are;

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

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

Fleet management - the management and upkeep of the MFRS vehicle fleet. This includes the management of;

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

Fleet maintenance - the repair and maintenance of vehicles and vehicle mounted equipment is undertaken by workshops within the transport function. Specialist

external contractors are engaged to deal with specialist repairs such as major RTC damage and specialist certification. The vast majority of repairs, maintenance, conversion or vehicle modification is carried out in house by qualified certificated staff.

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

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

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

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

4. **Vehicle Asset Management**

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

All vehicular assets are procured with a minimum of two years warranty from the chassis manufacturer with an additional two year warranty on the body and fittings from the body builder/ contractor. Most light vehicles procured for the ancillary fleet come with a three year warranty and carry a three year roadside assistance package.

Where possible the FRA endeavours to secure a three year maintenance package as part of the contract thus providing a known cost over the assets first three years.

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

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

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

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

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

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

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

5. [Vehicle Fleet](#)

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

- pumping appliances

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

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

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

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

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

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

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

Grey Fleet - Vehicles which are privately owned by employees and are used in connection with the employers business. These come in two categories;

Essential user and Casual user- Casual car user vehicles are privately owned and are for general business purposes. Essential users incorporate the flexible duty officers who use their own vehicles and operate under blue light conditions for operational response.

[The full current fleet distribution can be found at appendix C1](#)

Overview of Vehicle Types

Pumping Appliances

- 31 x Rescue Pumps
- 3 x Specialist Pumps (SRT)
- 8 x Reserve appliances, 1 on loan to FSC
- 4 x TDA appliances
- 1 x Youth Engagement

Special Appliances Operational

- 1 x Crane Lorry
- 8 x Prime Movers
- 24 x Demountable pods (Appendix C)
- LGV Driver Training Vehicle
- Command Support Unit
- Command Support Unit Reserve
- Rehab Unit
- 21 x Light 4x4
- Water Rescue Unit
- Out of Area Deployment
- Canine Unit Mercedes Vito
- Officer Response Cars
- 2 x Quad Bikes
- 4 x Motor Cycles
- 2 x Small Fires Unit (On Loan to Northumberland F&RS)
- RTC Education unit
- Fire and Rescue Control vehicle
- JCB
- MF1 Boat
- MF1 Relief Boat
- Hovercraft
- Jet Skis
- Forklift Truck
- 24 x Trailers

Aerial Appliances

- 5 x Combined Platform Ladder

Ancillary Vehicles

- 17 x Service Large Vans
- 10 x PCV
- 11 x Small Vans
- 61 x Light Cars
- Occupational Health Mobile Unit
- 3 x Driver Training

Vehicles identified for disposal

- 1 x CPL for Disposal
- 1 x CPP for Sale
- 1 x Hazmat Pump for Sale
- 3 x Pumping Appliances for sale

National Resilience Vehicles

- 5 x Prime Movers
- 9 x PODS
- Incident Response Unit
- CBRNE DIM

Currently, MFRA maintains its reserve fleet at 25% to ensure suitable operational resilience is available at all times. This reserve also provides resilience for the ongoing maintenance programme. When a vehicle is declared unavailable for use due to mechanical issues it is preferable for the vehicle to be replaced by a reserve fleet appliance as opposed to being taken off the run. This applies for long term issues and short term repairs which assists with the maintenance of the MFRS operational response.

6. [Asset Refresh Programme](#)

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

- Pumping Appliances will be replaced after 10 years.
- Special Appliances will be replaced after 15 Years.
- Blue Light Ancillary Vehicles to be replaced after 5 years.
- Ancillary Vehicles to be replaced after 7 years.
- Demountable Pods to be replaced after 20 years

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

7. [Environmental considerations](#)

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

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

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

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

- Carbon Monoxide (CO)
- Methane (CH₄)
- Nitrous Oxide (NO)
- Hydro Fluorocarbons (HFC's)
- Sulphur Hexafluoride (SF₆)

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

Older service appliances have been retro fitted with an exhaust after treatment such as catalytic converters and or CRT (continuously regenerating trap). This is made up of three separate chambers within the CRT unit. As the dirty exhaust gas enters the first chamber, it hits a diffuser plate which distributes the gas evenly through the catalyst. The platinum oxidation catalyst oxidizes the CO and HC into CO₂ and H₂O, virtually eliminating them from the exhaust gas. It also oxidizes some of the NO to NO₂. This is the key to the removal of soot collected by the CRT filter.

Recently purchased fire appliances have seen the introduction of Exhaust Gas Recirculation (EGR) into the MFRS fleet. EGR provides the vehicle with a means to adhere to current Euro 4 and Euro 5 emissions standards. The basic concept of EGR is that the gases from the exhaust of the compression ignition engine are re-circulated and in effect turned back from the exhaust and diverted into the induction side of the engine to be re-burned as part of the combustion process. This process ultimately reduces harmful gases exhausted to atmosphere.

Within the coming months we will see the introduction of vehicles fitted with Selective Catalytic Regeneration (SCR). SCR also fulfils the requirements of the Euro 4 and Euro 5 standard this however is achieved in a different manner. The SCR system relies on the injection of “ad blue” into the exhaust system as an after treatment of the combustion process. The “ad blue” injection alters the composition of the harmful exhaust gases to reduce their detrimental effects to the environment.

All vehicles registered after 1st January 2015 within the MFRS fleet must meet Euro 6 emission standards. The appliances purchased over the last financial year by the FRA have an integrated Euro 6 silencer which contains a full-flow particulate filter which features continuous regeneration and two parallel SCR catalysts with a unique high-precision AdBlue dosage system. The recent replacement of the smaller ancillary vehicles has resulted in a large drop in emissions due the procurement of new vehicles with smaller and more fuel efficient engines.

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

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

8. [Vehicle Lease Arrangements](#)

MFRS operates two types of vehicle leasing.

- Senior Officer Vehicles - this scheme allows uniformed senior officers to lease a car for business and private use. The lease period is over three years and the

vehicle is inspected prior to return to the lease company and any damage or excess mileage must be paid for.

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

Spot Hire

To maintain a fleet of ancillary vehicles that meet the needs MFRS at all times is both impractical and expensive. There are times when there is a demand for vehicles which exceeds the current fleet size. The most cost effective method to provide resources during this period is to "Spot Hire". This involves hiring a vehicle for a short period at short notice. Having engaged with several vehicle hire companies MFRS has three primary vehicle hire companies which provide a low hire rate. The agreement also ensures that the vehicles are delivered and collected service premises.

Whole Life Costs

The whole life cost information can be found within the Fleet Management system (Tranman). However, until such time as the electronic fleet management system is updated, there are still some hidden costs to be accounted for. For example administration supporting the workshop has been included within the labour rate calculations but the working hours available are still an ongoing discussion as to the most accurate method of obtaining available/chargeable hours. When comparing different vehicle batches for average maintenance costs, any notable high cost units should be investigated by analysis of the individual maintenance record, as quite often, this is due to other factors such as modifications or adaptations.

Benchmarking

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

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MFRS APPLIANCE FLEET LIST

Papa 1				
52 P1	RT	DK05HBC	1340	SCANIA P94D-260
20 P1	RT[CAFs]	DK05HBO	1344	SCANIA P94D-260
25 P1	RT[CAFs]	DK05HBP	1345	SCANIA P94D-260
19 P1	RT[CAFs]	DK57FKV	1353	SCANIA P274
91 P1	WS [Cafs]	DK57FKW	1354	SCANIA P274
11 P1	RT[CAFs]	DK57FKX	1355	SCANIA P274
15 P1	RT[CAFs]	DK57FKZ	1356	SCANIA P274
42 P1	RT[CAFs]	DK57FLA	1357	SCANIA P274
30 P1	RT[CAFs]	DK59BOJ	1362	SCANIA P274
41 P1	RT[CAFs]	DK59BOU	1363	SCANIA P274
24 P1	RT[CAFs]	DK59BOV	1364	SCANIA P274
18 P1	RT[CAFs]	DK59BPE	1365	SCANIA P274
17 P1	RT[CAFs]	DK59BPF	1366	SCANIA P274
22 P1	RT[CAFs]	DK59BPO	1367	SCANIA P274
31 P1	RT[CAFs]	DK59BPU	1368	SCANIA P274
12 P1	RT[CAFs]	DK60DVM	1373	SCANIA 285DB
10 P1	RT[CAFs]	DK60DVN	1374	SCANIA 285DB
50 P1	RT[CAFs]	DK60DVO	1375	SCANIA 285DB
14 P1	RT[CAFs]	DK60DVP	1376	SCANIA 285DB
16 P1	RT[CAFs]	DK61EER	1378	SCANIA 285DB
51 P1	RT[CAFs]	DK61EES	1379	SCANIA 285DB
33 P1	RT[CAFs]	DK61EET	1380	SCANIA 285DB
32 P1	RT[CAFs]	DK61EEU	1381	SCANIA 285DB
21 P1	RT[CAFs]	DK15CYV	1384	SCANIA
24 P1	RT[CAFs]	DK15CYW	1385	SCANIA
40 P1	RT[CAFs]	DK15CYX	1386	SCANIA
Papa 2				
23 P2	RT	DK54HZA	1338	SCANIA P94D-260
33 P2	RT	DK54HZB	1339	SCANIA P94D-260
10 P2	RT	DK05HBD	1341	SCANIA P94D-260
50 P2	RT	DK05HBE	1342	SCANIA P94D-260
91 P2	RT	DK55HNC	1348	SCANIA P94D-260
SPECIALS				
19 R2	SRT	DK59BPV	1369	SCANIA P274
71 T1	Crane Lorry	DK07JWC	1351	SCANIA P314DB
19 MTFA	RP	PN04KTF	1335	SCANIA P94D-260
Romeo 4	MFA [Cafs]	DK60DVR	1377	MAN

RESERVE APPLIANCES				
RESERVE	RT	PN04KSE	1337	SCANIA P94D-260
RESERVE	RT	PN04KSF	1336	SCANIA P94D-260
RESERVE	RT	DK05HBF	1343	SCANIA P94D-260
VESTY 3	RT	DK55HNA	1346	SCANIA P94D-260
VESTY 1	RT	DK55HNB	1347	SCANIA P94D-260
VESTY 2	RT	DK55HND	1349	SCANIA P94D-260
VESTY 7	RT[CAFs]	DK57FKU	1352	SCANIA P274
SECONDED TO MORTEM IN MARSH 29.8.13				
RESERVE	RP	PN04KTG	1334	SCANIA P94D-260
CPL'S				
33 A1	CPL	K474OKB	1293	VOLVO FL10
11 A1	CPL	R585DFM	1314	VOLVO
25 A1	CPL	DK59BTU	1371	VOLVO FM380
50 A1	CPL	DK60DVJ	1372	VOLVO/BRONTO
PRIME MOVERS				
RESERVE	PRM	L 38SFY	1295	DENNIS DFS237
14 T	PRM	L 39SFY	1296	DENNIS DFS237
10 T1	PRM	M232YBG	1308	VOLVO FS7
10 T2	PRM	M233YBG	1309	VOLVO FS7
19 T1	PRM	DK08GJJ	1359	SCANIA P274
19 T2	PRM	DK08GJO	1360	SCANIA P274
10	PRM	DK62EEA	1382	SCANIA
10	PRM	DK62EEF	1383	SCANIA
TRAINING SCHOOL				
T&DA	RT	DG02WFZ	1332	SCANIA P94D-260
T&DA	RT	DG02WHK	1333	SCANIA P94D-260
T&DA	WTL	DG02WFW	1329	SCANIA P94D-260
T&DA	WTL	DG02WFY	1331	SCANIA P94D-260
T&DA	SALVAGE	DK07JVZ	1350	MAN TGM15.240
YOUTH ENGAGEMENT/CADETS				
YE Stn 10	SFE [Cafs]	DK59BRV	1370	MB 816D VARIO
APPLIANCES STORED READY FOR SALE				
SHQ	CARP	DK57FLE	1358	SCANIA P314DB
10 H1	Hazmat Pump	DK08GJX	1361	MAN
T&DA	WTL	T661CCK	1320	DENNIS SABRE SFD322
T&DA [Kitted]	WTL	T662CCK	1321	DENNIS SABRE SFD322
RESERVE	RT	DG02WFX	1330	SCANIA P94D-260
For Disposal				
RESERVE	CPL	H157GBG	1277	VOLVO FL10

ANCILLARY VEHICLE FLEET LIST DEC 2015			
REG NO:	TYPE:	LOCATION:	FLEET NO:
W197JNE	RANGER 4x4	STATION 32	2419
DG02WGK	FIESTA CAR	FIRE SUPPORT NETWORK - FSN	2434
PF02ZJN	PANEL VAN Renault	HYDRANT TECHNICIAN @ HQ	2449
MK02FHJ	RENAULT PCV (17)	YOUTH ENGAGEMENT PRINCES TRUST @ STATION 21	2527
PN04KTE	MONDEO CAR	TDA @ TRAINING ACADEMY	2468
PN04KSU	SPRINTER VAN	STORES DEPT @ VESTY (TENDER)	2469
PN04KSY	TRANSIT VAN	HYDRANT TECHNICIAN @ HQ	2470
RO04EWC	HONDA Motorbike	IIT	6002
DK54HYM	SHOGUN	RESILIENCE @ 23	2471
DK54HYN	SHOGUN	RESILIENCE @ 21	2472
DK54HYO	TRANSIT PCV (17)	TDA @ TRAINING ACADEMY	2473
DK54HYP	TRANSIT PCV (17)	YOUTH ENGAGEMENT PRINCES TRUST @ 40	2474
DK54HYR	TRANSIT VAN	KIT VAN @ VESTY	2475
DK54HYT	TRANSIT VAN	OPS EQUIP B.A DEPT @ VESTY	2476
YD54AUC	TRANSIT VAN	CSU SPARE	2477
DK54HYV	CONNECT VAN	OPS EQUIP @ VESTY	2479
DK54HYW	CONNECT VAN	WORKSHOPS @ VESTY	2480
DK54HYX	CONNECT VAN	IIT VAN	2481
DK54HYZ	CONNECT VAN	ESTATES DEPT @ SHQ	2483
DK54HZG	CLIO VAN	PREVENTION ROAD SAFETY @ HQ	2484
DK54HZH	CLIO VAN	PREVENTION KNOWSLEY @ FIRE STATION 40	2485
DK54HZL	CLIO VAN	PREVENTION SEFTON @ S30	2486
DK54HZM	CLIO VAN	PREVENTION WIRRAL @ S25 (ARSON OFFICER POST)	2487
DK54HZN	CLIO VAN	RESILIENCE @ 50	2488
DA54YWW	CLIO CAR	PROTECTION PLANNING & BUILDING REGS @ HQ	2491
DA54YWY	CLIO CAR	PREVENTION SEFTON @ S30	2493
DA54YWZ	CLIO CAR	YOUTH ENGAGEMENT PRINCES TRUST @ HQ	2494
DK54HZP	TRANSIT VAN	OPS EQUIP @ VESTY	2495
DA54YXB	CLIO CAR	RESILIENCE @ 40	2496
DA54YXC	CLIO CAR	PROTECTION WIRRAL @ STATION 25	2497
DA54YXD	CLIO CAR	RESILIENCE @ 21	2498
DA54YXF	CLIO CAR	RESILIENCE @ 40	2500
DA54YXG	CLIO CAR	PREVENTION CITY CENTRE STN 11	2501
DK54HZR	TRANSIT PCV (15)	TDA @ TRAINING ACADEMY	2502
DK54HZT	TRANSIT PCV (15)	POOL VEHICLE @ MANAGED BY W/SHP	2503
DA54YXJ	CLIO CAR	PROTECTION LIVERPOOL SOUTH @ S17	2505
DA54YXK	CLIO CAR	FCC	2506
DA54YXM	CLIO CAR	PREVENTION STN 11	2508
DK54HZU	SPRINTER (SFU)	SMALL FIRE UNIT @ SHQ	2510
RE54MSO	HONDA Motorbike	IIT	6003
DK05HBG	FIESTA CAR	PREVENTION SEFTON @ S30	2511
DK05HBH	FIESTA CAR	PREVENTION LIVERPOOL @ S17	2512
DK05HBL	CLIO CAR	YOUTH ENGAGEMENT PRINCES TRUST @ HQ	2514
DK05HBN	RENAULT PCV (14)	YOUTH ENGAGEMENT PRINCES TRUST @ TOXTETH HUB	2515
DK05RBY	CLIO CAR	PROTECTION KNOWSLEY @ STATION 42	2516
DK05RBZ	CLIO CAR	YOUTH ENGAGEMENT PRINCES TRUST @ HQ	2517
DK05RCO	CLIO CAR	PROTECTION SEFTON @ STATION 30	2519
DK05RCU	CLIO CAR	BEING USED BY GARY BENNETT	2520
DK05RCV	CLIO CAR	OPS PLANNING/OPS INTEL	2521

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DK05RCY	CLIO CAR	PROTECTION PLANNING & BUILDING REGS @ HQ	2523
DK55HMX	CONNECT VAN	TDA @ INDUSTRIAL TRAINING	2524
DK55HMY	CONNECT VAN	TDA @ TRAINING ACADEMY @ TDA	2525
DK55HMZ	TRANSIT PCV (15)	YOUTH ENGAGEMENT @ STN 10	2526
DK55HNE	PANEL VAN Renault	STORES - COURIERS	2528
DK06HZV	SKODA FABIA CAR	PREVENTION KNOWSLEY @ FIRE STATION 40	2531
DK06HZW	SKODA FABIA CAR	PROTECTION LIVERPOOL SOUTH @ S17	2532
DK06HZX	SKODA FABIA CAR	PREVENTION KNOWSLEY @ FIRE STATION 40	2533
DK06HZY	SKODA FABIA CAR	PREVENTION @ STN 11	2534
DK06HZZ	SKODA FABIA CAR	ATTENDANCE MANAGEMENT	2535
DK06JAO	SKODA FABIA CAR	PREVENTION WIRRAL @ STATION 25	2536
DK56JXE	SPRINTER (SFU)	SMALL FIRE UNIT @ SHQ	2537
DK56JXF	TRANSIT VAN	REHAB (COOL) UNIT @ STATION 10	2538
DK56JXG	SHOGUN	IIT	2539
DK56JXH	SKODA FABIA CAR	PREVENTION STN 11	2540
DK56JXJ	TRANSIT VAN	WORKSHOPS @ VESTY	2541
DK56JXL	SPRINTER	OUT OF AREA DEPLOYMENT @ S19	2542
DK56JXM	SPRINTER	WATER RESCUE SRT @ S19	2543
DK07JWA	TRANSIT PCV (15)	POOL VEHICLE @ MANAGED BY W/SHP	2544
DK57FKS	HONDA QUAD BIKE	THREAT RESPONSE GROUP	6004
DK57FKT	HONDA QUAD BIKE	THREAT RESPONSE GROUP	6005
DK08GHN	FORD FIESTA CAR	PREVENTION ST HELENS @ S50	2546
DK08GHO	FORD FIESTA CAR	POOL VEHICLE @ MANAGED BY W/SHP	2547
DK08GHU	FORD FIESTA CAR	CRM @ SHQ	2548
DK08GHV	FORD FIESTA CAR	H & S DEPT @ SHQ	2549
DK08GHX	FORD FIESTA CAR	STRATEGY & PERFORMANCE	2550
DK08GHY	FORD FIESTA CAR	CRM @ SHQ	2551
DK08GHZ	FORD FIESTA CAR	ATTENDANCE MANAGEMENT	2552
DK08GJE	FORD FOCUS CAR	OPS PLANNING/OPS INTEL	2553
DK08GJG	SKODA OCTAVIA	POOL VEHICLE @ MANAGED BY W/SHP	2545
DK08GJU	TRANSIT VAN	STORES - COURIERS	2554
DK08GJV	TRANSIT VAN	WORKSHOPS @ VESTY	2555
DK58HNG	TOYOTA HILUX	WEST KIRBY FIRE STATION	2557
DK58HNH	TOYOTA HILUX	TDA @ OFF ROAD DRIVING	2558
DK58HNL	VAUXHALL CORSA	PREVENTION LIVERPOOL @ S17	2560
DK58HNM	VAUXHALL CORSA	PROTECTION KNOWSLEY @ STATION 42	2561
DK58HNN	VAUXHALL CORSA	PROTECTION SEFTON @ STATION 30	2562
DK58MWU	VAUXHALL CORSA	YOUTH ENGAGEMENT @ HQ	2563
DK58MWV	VAUXHALL CORSA	PROTECTION PLANNING & BUILDING REGS @ HQ	2564
DK58MWW	VAUXHALL CORSA	PROTECTION WIRRAL @ STATION 25	2565
DK59BPX	TRANSIT VAN	WORKSHOPS @ VESTY	2578
DK59BPY	TRANSIT VAN	WORKSHOPS @ VESTY	2579
DK59BPZ	FORD MONDEO	OPS RESPONSE (OFFICERS POOL CAR) @ SHQ	2566
DK59BRF	FORD MONDEO	OPS RESPONSE (OFFICERS POOL CAR) @ SHQ	2567
DK59BRX	FIAT	HEALTH SCREENING UNIT - OCC HEALTH	2580
DK59BRZ	VAUXHALL CORSA	PREVENTION ST HELENS @ S50	2568
DK59BSO	VAUXHALL CORSA	HR TEAM @ SHQ	2569
DK59BSU	VAUXHALL CORSA	PROTECTION ST HELENS @ STATION 50	2570
DK59BSV	VAUXHALL CORSA	PREVENTION LIVERPOOL @ S11	2571
DK59BSX	VAUXHALL CORSA	PREVENTION LIVERPOOL @ S17	2572
DK59BSY	VAUXHALL CORSA	TDA @ DRIVING SCHOOL	2573
DK59BSZ	VAUXHALL CORSA	PROTECTION LIVERPOOL @ STATION 11	2574

Appendix C2, Transport Asset Management Plan 2016/2021

DK59BTE	VAUXHALL CORSA	PREVENTION WIRRAL @ STATION 25	2575
DK59BTF	VAUXHALL CORSA	PROTECTION LIVERPOOL @ STATION 11	2576
DK59BTO	VAUXHALL CORSA	PROTECTION SEFTON @ STATION 30	2577
FX10JWZ	BMW Motorbike	FIRE FIGHTING BIKE IN STORAGE	6011
FX10JXA	BMW Motorbike	FIRE FIGHTING BIKE IN WORKSHOPS	6012
DK60DVF	ISUZU PICK-UP	FIREFIT @ SHQ (CLIMBING WALL)	2582
DK60DVL	ISUZU PICK-UP	TDA @ WATER TRAINING	2585
DK11BWW	MERCEDES BENZ	CSU	2586
DK11BWX	VAUXHALL INSIGNIA	TDA @ DRIVING SCHOOL @ TDA	2587
DK11BWY	FORD GALAXY	POOL VEHICLE @ MANAGED BY W/SHOP	2588
DK11BWZ	FORD GALAXY	POOL VEHICLE @ MANAGED BY W/SHOP	2589
DK11BXA	ISUZU PICK-UP	USAR CROXTETH FIRE STATION	2590
6013	HOVERCRAFT	STN 14	6013
6014	TOYOTA FORKLIFT	WORKSHOPS @ VESTY	6014
6015	BOAT	MARINE FIRE	6015
6016	RELIEF BOAT	MARINE FIRE	6016
DK13DDA	TRANSIT PCV (17)	YOUTH ENGAGEMENT PRINCES TRUST @ TDA	2591
DK13DDE	TRANSIT PCV (17)	YOUTH ENGAGEMENT PRINCES TRUST @ STN 30	2592
DK13DDF	VAUXHALL INSIGNIA	OPS RESPONSE (OFFICERS POOL CAR) @ SHQ	2593
DK13DDJ	VAUXHALL INSIGNIA	OPS RESPONSE (OFFICERS POOL CAR) @ SHQ	2594
MM15WHA	JCB	TDA @ DRIVING SCHOOL @ TDA	6018
DK64EEA	TRANSIT VAN	PREVENTION ROAD SAFETY @HQ	2595
DK64EEB	SPRINTER 4X4	WATER SUPPORT UNIT	2596
DK64EEF	ISUZU PICKUP 4X4	OPS. RESPONSE SHQ	2597
DK64EEG	ISUZU PICKUP 4X4	OPS. RESPONSE SHQ	2598
DK64EEH	ISUZU PICKUP 4X4	OPS. RESPONSE SHQ	2599
DK64EEJ	ISUZU PICKUP 4X4	OPS. RESPONSE SHQ	2600
DK64EEM	ISUZU PICKUP 4X4	OPS. RESPONSE SHQ	2601
DK64EEN	ISUZU PICKUP 4X4	OPS. RESPONSE SHQ	2602
DK64EEO	ISUZU PICKUP 4X4	IIT	2603
DK64EEP	ISUZU PICKUP 4X4	OPS. RESPONSE SHQ	2604
DK64FCM	ISUZU PICKUP 4X4	IIT	2605
DK64FCN	ISUZU PICKUP 4X4	OPS. RESPONSE SHQ	2606
DK64FCO	ISUZU PICKUP 4X4	OPS. RESPONSE SHQ	2607
DK64FCP	MERC VITO	USAR SEARCH DOGS STN 19	2608
DK15CYL	TRANSIT VAN	STORES - COURIERS	2609
DK15CYO	TRANSIT VAN	STORES - COURIERS	2610
DK15CYP	TRANSIT VAN	STORES - COURIERS	2611
DK15CYS	TRANSIT VAN	WORKSHOPS @ VESTY	2612
DK15CYT	TRANSIT VAN	WORKSHOPS @ VESTY	2613
DK15CYU	TRANSIT VAN	WORKSHOPS @ VESTY	2614
DK15CYY	TRANSIT PCV	USAR CROXTETH FIRE STATION	2615
DK65CAA	HYUNDIA i30	POOL VEHICLE @ MANAGED BY W/SHOP	2616
DK65CAE	HYUNDIA i30	POOL VEHICLE @ MANAGED BY W/SHOP	2617
DK65CAO	HYUNDIA i30	PREVENTION ST HELENS @ S50	2618
DK65CAU	HYUNDIA i30	PREVENTION @ HQ	2619
DK65CAV	HYUNDIA i30	PREVENTION KNOWSLEY @ FIRE STATION 40	2620
DK65CAX	HYUNDIA i30	PREVENTION SEFTON @ S30	2621
DK65CBF	HYUNDIA i30	OPS PLANNING/OPS INTEL	2622
DK65CBO	HYUNDIA i30	PROTECTION ST HELENS @ STATION 50	2623
DK65CBU	HYUNDIA i30	PREVENTION LIVERPOOL @ S17	2624
DK65CBV	HYUNDIA i30	PREVENTION WIRRAL @ STATION 25	2625

POD LIST

FLEET No:	TYPE:	STN:
5002	SPECIAL RESCUE UNIT	19
5003	HAZMAT/ENVIRONMENTAL UNIT	10
5004	BA SUPPORT UNIT	10
5005	OPS LOGISTIC UNIT	19
5006	OPS SUPPORT UNIT	19
5007	DAMAGE CONTROL UNIT	10
5009	MARINE & TUNNEL F/F UNIT	10
5010	HOVERCRAFT CARRIER POD	14
5011	HOSE LAYER UNIT	19
5012	HOSE LAYER UNIT	10
5013	BA TRAINING POD	21
5014	BA TRAINING POD	16
5015	BA TRAINING POD	TDA
5016	GPU [TEMP WELFARE]	10
5017	FOAM UNIT	14
5018	FOAM UNIT	10
5019	FIRE FIT UNIT	SHQ
5020	FOAM UNIT	10
5024	LPP UNIT	10
5025	GENERAL PURPOSE UNIT	SHQ
5029	GPU/JCB CARRIER POD	SHQ
5031	ICCU	10
5045	HOSE LAYER UNIT	10
5046	HOSE LAYER UNIT	10

Appendix C4

Vehicles - Approved Budget 2015/16 to 2019/20

Type of Capital Expenditure	Price Per Unit	Total		2015/16		2016/17		2017/18		2018/19		2019/20		2020/21	
		Units	Cost £	Units	£	Units	£	Units	£	Units	£	Units	£	Units	£
VEH002 Ancillary Vehicles															
Cars															
Car 1 (5 door - Fiesta/Corsa) <i>Slip £47,500 (5) 15/16-16/17</i>	9,500	21	199,500			21	199,500								
Car 2 (5 door - Fiesta/Corsa)	12,000	3	36,000							3	36,000				
Car 3 (5 door - Hyundai i30) <i>CAP1393 C £177,160 (15); A £44,290 (5)</i>	9,500	20	190,000	20	190,000										
Officer Response Car 1	22,000	2	44,000			2	44,000								
Officer Response Car 2	26,000	2	52,000					2	52,000						
Officer Response Car 3	20,000	2	40,000							2	40,000				
7 Seater Galaxy	23,000	2	46,000							2	46,000				
Car - Automtc	25,000	1	25,000					1	25,000						
4x4s															
4x4 (Isuzu/Hilux)	27,000	4	108,000					2	54,000			2	54,000		
4x4 SMA/IIT	23,000	2	46,000					2	46,000						
4x4 SMA/IIT <i>New Bid/Start 20/21</i>	26,250	9	236,250											9	236,250
4x4 (Climbing Wall Vehicle)	22,000	1	22,000							1	22,000				
Vans															
Small Vans (Fiesta/Corsa) <i>Slip £47,550 (5) 15/16-16/17</i>	9,510	5	47,550			5	47,550								
Panel Van Renault Master 1 <i>CAP1339 A £116,483 (6)</i>	19,400	6	116,400	6	116,400										
Panel Van Renault Master 2 <i>Slip £19,400 (5) 15/16-16/17</i>	18,650	9	167,850	4	74,600	5	93,250								
Panel Van 2 Jumbo Van	25,000	2	50,000					2	50,000						
Ford Connect Van <i>Slip £42,000 (4) 15/16-16/17</i>	10,500	8	84,000	2	21,000	4	42,000	2	21,000						
Dog Van Mercedes Vito 1	43,000														
Dog Van Mercedes Vito 2 <i>New Bid/Start 20/21</i>	49,750	1	49,750											1	49,750
Other															
PCVs (Ford Transit 17 Seater) <i>CAP1277 A £23,126 (1) Slip £69,600 (3) 15/16-16/17</i>	23,200	4	92,800	1	23,200	3	69,600								
PCVs (Ford Transit 17 Seater)	24,000	3	72,000									3	72,000		
			1,725,100		425,200		495,900		248,000		108,000		162,000		286,000
VEH004 Special Vehicles															
CPLs															
Aerial Appliance 1	600,000	1	600,000			1	600,000								
<i>Budget Adjust - Accommodate Anticipated Price Increase of £50,000 16/17</i>			50,000				50,000								
Aerial Appliance 2 <i>New Bd/Start 16/17</i>	650,000	1	650,000					1	650,000						
Other															
Prime Movers 1 <i>Slip £98,000 (1) 15/16-16/17</i>	98,000	1	98,000			1	98,000								
Prime Movers 2 <i>CAP1411 C £280,680 (2)</i>	140,340	2	280,680	2	280,680										
Prime Movers 3 <i>New Bid/Start 16/17</i>	144,550	2	289,100			2	289,100								
IMU <i>Slip £600,000 (1) 15/16-16/17</i>	600,000	1	600,000			1	600,000								
Mercedes IMU <i>New Bid/Start 20/21</i>	105,000	1	105,000											1	105,000
BA Support Unit (POD) - Likely to slip at year end	75,000	1	75,000	1	75,000										
<i>Budget Adjust - Accommodate Anticipated Price Increase of £50,000 16/17</i>			50,000				50,000								
Water Rescue Unit <i>Slip £45,000 (1) 15/16-16/17</i>	45,000	1	45,000			1	45,000								
MF1 Boat Refurbishment <i>New Bid/Start 16/17</i>			65,000				65,000								
MF1 Boat <i>New Bid/Start 20/21</i>	300,000	1	300,000											1	300,000
Relief Boat <i>New Bid/Start 20/21</i>	150,000	1	150,000											1	150,000
Teletruck Handler <i>CAP1363. A: £43,912</i>	44,000	1	44,000	1	44,000										
			3,401,780		399,680		1,797,100		650,000						555,000

Vehicles - Approved Budget 2015/16 to 2019/20

Type of Capital Expenditure		Price Per Unit	Total		2015/16		2016/17		2017/18		2018/19		2019/20		2020/21	
			Units	Cost £	Units	£	Units	£	Units	£	Units	£	Units	£	Units	£
VEH006 Motorcycle Response																
AFA/RTC Bikes <i>Budget Adjust 15/16 Vehicles not Needed</i>		6,000														
Firefighting bikes <i>Budget Adjust 15/16 Vehicles not Needed</i>		16,000														
Motor Cycle Response Quad Bikes <i>Budget Adjust 15/16 Vehicles not Needed</i>		11,000														
Other Vehicles																
VEH001	Fire Appliances - Slippage CAP1310 A £182,669 (3); CAP1401 A £18,867 (3)		3	203,000	3	203,000										
	Fire Appliances - New £245,000 to £260,000 <i>Budget Adjust 15/16 Vehicles not Neded</i>		14	3,500,000			3	730,000	4	980,000	3	750,000	4	1,040,000		
	Fire Appliances <i>New Bid/Start 20/21</i>		3	780,000											3	780,000
VEH005 Vehicles Water Strategy CAP1392 A £12,565 (2 Boat Engines) <i>Slip £16,400 Balance 15/16-16/17</i>				29,000		12,600		16,400								
WOR001 Workshop Equipment				4,512,000		215,600		746,400		980,000		750,000		1,040,000		780,000
Equipment				23,000		23,000										
Replace steam clean lift				40,000		40,000										
Workshop Equipment Cable free Somers vehicle Lift.		19,000	1	19,000									1	19,000		
Two Post Light Vehicle Lift.		6,000	1	6,000									1	6,000		
				88,000		63,000								25,000		
				8,105,880		1,103,480		3,039,400		1,878,000		858,000		1,227,000		1,621,000
Original Budget				7,536,100		2,675,100		1,526,000		1,228,000		858,000		1,249,000		
Current Programme				8,105,880		1,103,480		3,039,400		1,878,000		858,000		1,227,000		1,621,000
Changes				569,780		(1,571,620)		1,513,400		650,000				(22,000)		1,621,000

Vehicles - Approved Budget 2015/16 to 2019/20

Type of Capital Expenditure	Price Per Unit	Total		2015/16		2016/17		2017/18		2018/19		2019/20		2020/21	
		Units	Cost £	Units	£	Units	£	Units	£	Units	£	Units	£	Units	£
Q1 Movements/Adjustments			525,000		525,000										
Q2 Movements/Adjustments			(13,320)		(13,320)										
Q3 Movements/Adjustments			1,679,100		(2,083,300)		1,513,400		650,000			(22,000)			1,621,000
Slippage to 2015/16															
VEH002 Ancillary Vehicles															
Car 1 (5 door - Fiesta/Corsa)	9,500			(5)	(47,500)	5	47,500								
Small Vans (Fiesta/Corsa)	9,510			(5)	(47,550)	5	47,550								
Panel Van Renault Master 2	18,650			(5)	(93,250)	5	93,250								
Ford Connect Van	10,500			(4)	(42,000)	4	42,000								
PCVs (Ford Transit 17 Seater)	23,200			(3)	(69,600)	3	69,600								
VEH004 Special Vehicles															
Prime Movers 1	98,000			(1)	(98,000)	1	98,000								
IMU	600,000			(1)	(600,000)	1	600,000								
Water Rescue Unit	45,000			(1)	(45,000)	1	45,000								
VEH005 Vehicle Water Strategy					(16,400)		16,400								
New Starts/Bids															
VEH002 Ancillary Vehicles															
Dog Van Mercedes Vito	49,750		49,750											1	49,750
4x4 SMA/IIT	26,250		236,250											9	236,250
VEH004 Special Vehicles															
Prime Movers 3	144,550	2	289,100			2	289,100								
MF1 Boat Refurbishment			65,000				65,000								
CPL - Aerial Appliance	650,000	1	650,000					1	650,000						
MF1 Boat	300,000		300,000											1	300,000
Relief Boat	150,000		150,000											1	150,000
Mercedes IMU	105,000		105,000											1	105,000
VEH001 - Fire Appliances	260,000		780,000											3	780,000
Budget Adjustments															
VEH001 Fire Appliances - No Longer Needed	245,000	(4)	(980,000)	(4)	(980,000)										
VEH004 Special Vehicles															
Aerial Appliance - To Accommodate Anticipated Price Increase			50,000				50,000								
BA Support Unit (POD) - To Accommodate Anticipated Price Increase			50,000				50,000								
VEH006 Motor Cycle Response Quad Bikes															
AFA/RTC Bikes	6,000	(2)	(12,000)	(2)	(12,000)										
Firefighting bikes	16,000	(2)	(32,000)	(2)	(32,000)										
Motor Cycle Response Quad Bikes	11,000	(2)	(22,000)									(2)	(22,000)		
			569,780		(1,571,620)		1,513,400		650,000			(22,000)			1,621,000

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Building / Land - Current Approved Budget 2015/16 to 2020/21

Type of Capital Expenditure	Total Cost £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Major Site Refurbishments							
BLD039 FS Refurbishment Heswall	350,000		350,000				
BLD041 FS Refurbishment Aintree	15,000	15,000					
BLD042 St Helens Refurbishment	10,000	10,000					
BLD055 FS Refurbishment Bromborough	350,000			350,000			
BLD063 FS Refurbishment Kirkby	375,000	25,000	350,000				
BLD070 Workshop Enhancement	250,000	150,000	100,000				
BLD071 Station Refresh	125,000	25,000	25,000	25,000	25,000	25,000	
BLD076 FS Refurbishment Huyton	25,000	25,000					
BLD077 FS Refurbishment Upton	25,000	25,000					
BLD084 FS Refurbishment Croxteth	300,000		150,000	0	0	150,000	
BLD085 FS Refurbishment Speke/Garston	300,000		50,000	250,000	0	0	
BLD086 FS Refurbishment Old Swan	300,000		50,000	0	250,000	0	
BLD087 FS Refurbishment City Centre	150,000		150,000	0	0	0	
BLD088 FS Refurbishment Kensington	40,000		40,000	0	0	0	
BLD089 FS Refurbishment Toxteth/Hub- FS Element	100,000					100,000	
BLD089 FS Refurbishment Toxteth/Hub-Hub Element	100,000					100,000	
BLD090 FS Refurbishment Wallasey	25,000		25,000	0	0	0	
BLD093 Refurbishment MF1	150,000		0	0	0	150,000	
BLD016 Community Station Investment	161,500	36,500	25,000	25,000	25,000	25,000	25,000
BLD079 Station Refurbishments	25,000						25,000
TDA001 Fire house refurbishment	30,000		30,000				
BLD091 Refurbishment TDA	1,100,000	100,000	0	1,000,000			
	4,306,500	411,500	1,345,000	1,650,000	300,000	550,000	50,000
Station Mergers							
BLD080 Prescott FS New Build (CFO/095/14)	5,350,000	1,000,000	4,350,000				
BLD082 Saughall Massie FS New Build (CFO/058/15)	4,200,000	200,000	3,000,000	1,000,000			
BLD083 St Helens FS New Build (CFO/059/15)	5,250,000		4,250,000	1,000,000			
	14,800,000	1,200,000	11,600,000	2,000,000	0	0	0
SHQ Main Building							
BLD068 SHQ Joint Control Room	395,000	395,000					
BLD081 SHQ Stage C Works	727,600	727,600					
	1,122,600	1,122,600	0	0	0	0	0
Other							
BLD072 SHQ Tower	14,500	14,500					
BLD073 SHQ Museum	191,000		191,000				
	205,500	14,500	191,000	0	0	0	0
LLAR Accomodation Works							
BLD036 LLAR Accomodation Formby	310,000		310,000				
BLD075 LLAR Accomodation Newton-le-Willows	310,000		310,000				
BLD050 LLAR Accomodation Belle Vale	50,000		25,000			25,000	
	670,000	0	645,000	0	0	25,000	0
General Station Upgrade Works							
BLD001 Roofs & Canopy Replacements	240,000	40,000	40,000	40,000	40,000	40,000	40,000
BLD004 Concrete Yard Repairs	120,000	20,000	20,000	20,000	20,000	20,000	20,000
BLD005 Tower Improvements	68,000	10,000	18,000	10,000	10,000	10,000	10,000
BLD013 Non Slip Coating to Appliance Room Floors	200,000	40,000	40,000	30,000	30,000	30,000	30,000
BLD014 Boiler Replacements	90,000	15,000	15,000	15,000	15,000	15,000	15,000
BLD020 Electrical Testing	190,000	70,000	30,000	30,000	20,000	20,000	20,000
BLD031 Diesel Tanks Slip	150,000	20,000	130,000				
BLD033 Sanitary Accomodation Refurbishment	199,000	79,000	30,000	30,000	20,000	20,000	20,000
BLD044 Asbestos Surveys	105,000	25,000	25,000	25,000	10,000	10,000	10,000
BLD060 DDA Compliance	310,000	100,000	100,000	50,000	20,000	20,000	20,000
	1,672,000	419,000	448,000	250,000	185,000	185,000	185,000
Other Works							
BLD007 L.E.V. System in Appliance Rooms	26,100	1,100	5,000	5,000	5,000	5,000	5,000
BLD018 Conference Facilities SHQ	40,000	10,000	10,000	5,000	5,000	5,000	5,000
BLD026 Corporate Signage	30,000	5,000	5,000	5,000	5,000	5,000	5,000
BLD032 Power Strategy	60,000		20,000	10,000	10,000	10,000	10,000
BLD034 Office Accomodation	112,000	27,000	25,000	15,000	15,000	15,000	15,000
BLD058 HVAC - Heating, Ventilation & Air Con	165,000	30,000	30,000	30,000	25,000	25,000	25,000
BLD061 Lightening Conductors & Surge Protection	60,000	10,000	10,000	10,000	10,000	10,000	10,000
BLD062 Emergency Lighting	30,000	5,000	5,000	5,000	5,000	5,000	5,000
BLD067 Gym Equipment Replacement	180,000	40,000	40,000	40,000	20,000	20,000	20,000
BLD092 Service Headquarters Offices	200,000		200,000				
CON001 Energy Conservation Non-Salix	183,500	58,500	25,000	25,000	25,000	25,000	25,000
CON002 Energy Conservation Salix		75,000					
EQU002 Replacement programme for Fridge Freezers	60,000	10,000	10,000	10,000	10,000	10,000	10,000
EQU003 Furniture Replacement Programme	63,000	10,500	10,500	10,500	10,500	10,500	10,500
	1,284,600	282,100	395,500	170,500	145,500	145,500	145,500
	24,061,200	3,448,700	14,624,500	4,070,500	630,500	905,500	380,500

Building / Land - Current Approved Budget 2015/16 to 2020/21

Type of Capital Expenditure	Total Cost £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
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ICT - Current Approved Budget 2015/16 to 2020/21

Type of Capital Expenditure	Total Cost £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
<u>New Emergency Services Network (ESN)</u>							
ESN Radios / Infrastructure - Estimate	250,000			250,000			
<u>IT002 ICT Software</u>							
Software Licences	12,000	2,000	2,000	2,000	2,000	2,000	2,000
New Visualistaion Infrastructure	75,000				75,000		
3 Year Licences Antivirus & Filtering	169,000			169,000			
Microsoft EA Agreement (Servers & Security)	300,000	60,000	60,000	60,000	60,000	60,000	140,000
Microsoft EA Agreement (Office Desktop)	525,000	65,000	80,000	80,000	80,000	80,000	
Microsoft SQL Upgrade	50,000	50,000					
	1,131,000	177,000	142,000	311,000	217,000	142,000	142,000
<u>IT003 ICT Hardware</u>							
PC, monitor and laptop replacement (target 20%)	452,900	72,900	80,000	80,000	80,000	70,000	70,000
PC, monitor and laptop growth	30,000	5,000	5,000	5,000	5,000	5,000	5,000
Periherals replacement (target 20%)	63,900	33,900	6,000	6,000	6,000	6,000	6,000
Tablets (Ipad)	90,000				30,000	30,000	30,000
LFS Laptops	40,000		40,000				
IP TV Asset Refresh	50,000					50,000	
Appliance Toughbook Replacement	110,000	110,000					
Audio Visual Conference Facility	120,000						120,000
	956,800	221,800	131,000	91,000	121,000	161,000	231,000
<u>IT005 ICT Servers</u>							
Server/storage replacement (target 20%)	390,000	65,000	65,000	65,000	65,000	65,000	65,000
Server/storage growth	110,000	15,000	15,000	15,000	15,000	25,000	25,000
New SAN Solution	100,000		100,000				
	600,000	80,000	180,000	80,000	80,000	90,000	90,000
<u>IT018 ICT Network</u>							
Local Area Network replacement (discrete)	24,000	4,000	4,000	4,000	4,000	4,000	4,000
Network Switches/Routers replacement	351,000	81,000	60,000	100,000	110,000		
Network Switches/Router growth	30,000	5,000	5,000	5,000	5,000	5,000	5,000
Network Switches/Router- for JCC/TDA Resilience	10,000					10,000	
Vesty Road Network Link Refresh	40,000					40,000	
IP Telephony	150,000	50,000	100,000				
Wireless Network	40,000		40,000				
	645,000	140,000	209,000	109,000	119,000	59,000	9,000
<u>IT026 ICT Operational Equipment</u>							
Pagers/Alerters	35,000		7,000	7,000	7,000	7,000	7,000
Station End Kit	25,000		5,000	5,000	5,000	5,000	5,000
Incident Ground Management System	50,000		50,000				
MDT Replacement (Not incl. in ESMCP)	120,000						120,000
	230,000		62,000	12,000	12,000	12,000	132,000
<u>SHQ/JCC Major Refurbishment</u>							
IT051 JCC Airwave Solution	99,000	99,000					
IT053 JCC Backup MACC/Secondary Control	57,000	57,000					
	156,000	156,000					
<u>Other IT Schemes</u>							
IT027 ICT Security-Remote Access Security FOBS	12,000	2,000	2,000	2,000	2,000	2,000	2,000
IT028 System Development (Portal)	226,000	108,000	18,000	25,000	25,000	25,000	25,000
IT030 ICT Projects/Upgrades	25,000		5,000	5,000	5,000	5,000	5,000
IT034 E-Mail retention (legal requirement)							
IT037 Emerging Technologies							
IT040 Integrated Planning & Performance M.S.	14,000		14,000				
IT046 TRM System	32,500	32,500					
IT049 Wireless Rollout	18,300	18,300					
IT050 Community Protection IMS System	30,000	30,000					
IT055 C.3.I.C.&C Communication & Info System	83,000	8,000	15,000	15,000	15,000	15,000	15,000
IT056 P.F.I. Door Access System	18,000	18,000					
IT057 Fleet Management System	12,000	12,000					
FIN001 FMIS/Eproc/Payroll/HR Replacement	108,500	108,500					
	579,300	337,300	54,000	47,000	47,000	47,000	47,000
	4,548,100	1,112,100	778,000	900,000	596,000	511,000	651,000

Vehicles - Current Approved Budget 2015/16 to 2020/21

Type of Capital Expenditure	Price Per Unit	Total		2015/16		2016/17		2017/18		2018/19		2019/20		2020/21	
		Units	Cost £	Units	£	Units	£	Units	£	Units	£	Units	£	Units	£
VEH002 Ancillary Vehicles															
Cars															
Car 1 (5 door - Fiesta/Corsa)	9,500	21	199,500			21	199,500								
Car 2 (5 door - Fiesta/Corsa)	12,000	3	36,000									3	36,000		
Car 3 (5 door - Hyundai i30)	9,500	20	190,000	20	190,000										
Officer Response Car 1	22,000	2	44,000			2	44,000								
Officer Response Car 2	26,000	2	52,000					2	52,000						
Officer Response Car 3	20,000	2	40,000							2	40,000				
7 Seater Galaxy	23,000	2	46,000							2	46,000				
Car - Automatc	25,000	1	25,000					1	25,000						
4x4 (Isuzu/Hilux)	27,000	4	108,000					2	54,000			2	54,000		
4x4 SMA/IIT	23,000	2	46,000					2	46,000						
4x4 SMA/IIT	26,250	9	236,250											9	236,250
Dog Van Mercedes Vito	49,750	1	49,750											1	49,750
4x4 (Climbing Wall Vehicle)	22,000	1	22,000							1	22,000				
Vans															
Small Vans (Fiesta/Corsa)	9,510	5	47,550			5	47,550								
Panel Van Renault Master 1	19,400	6	116,400	6	116,400										
Panel Van Renault Master 2	18,650	9	167,850	4	74,600	5	93,250								
Panel Van 2 Jumbo Van	25,000	2	50,000					2	50,000						
Ford Connect Van	10,500	8	84,000	2	21,000	4	42,000	2	21,000						
Other															
PCVs (Ford Transit 17 Seater)	23,200	4	92,800	1	23,200	3	69,600								
PCVs (Ford Transit 17 Seater)	24,000	3	72,000									3	72,000		
			1,013,900		425,200		495,900		248,000		108,000		162,000		286,000
VEH004 Special Vehicles															
CPLs															
Aerial Appliance 1	650,000	2	1,300,000			2	1,300,000								
Other															
Prime Movers	98,000	1	98,000			1	98,000								
Prime Movers	144,550	4	569,780	2	280,680	2	289,100								
IMU	600,000	1	600,000			1	600,000								
Mercedes IMU	105,000	1	105,000											1	105,000
BA Support Unit (POD)	125,000	1	125,000	1	75,000		50,000								
Teletruck Handler	44,000	1	44,000	1	44,000										
MF1 Boat Refurbishment			65,000				65,000								
MF1 Boat	300,000	1	300,000											1	300,000
Relief Boat	150,000	1	150,000											1	150,000
Water Rescue Unit	45,000	1	45,000			1	45,000								
			2,447,100		399,680		2,447,100								555,000
Other Vehicles															
Fire Appliances £245,000 to £260,000		20	4,483,000	3	203,000	3	730,000	4	980,000	3	750,000	4	1,040,000	3	780,000
Vehicles Water Strategy (2 Engines)			29,000		12,600		16,400								
			3,516,400		215,600		746,400		980,000		750,000		1,040,000		780,000
WOR001 Workshop Equipment															
Equipment			23,000		23,000										
Replace steam clean lift			40,000		40,000										
Workshop Equipment Lift.	19,000	1	19,000									1	19,000		
Two Post Light Vehicle Lift.	6,000	1	6,000									1	6,000		
			25,000		63,000								25,000		
			7,002,400		1,103,480		3,689,400		1,228,000		858,000		1,227,000		1,621,000

MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	AUTHORITY		
DATE:	25 FEBRUARY 2016	REPORT NO:	CFO/007/15
PRESENTING OFFICER	TREASURER		
RESPONSIBLE OFFICER:	IAN CUMMINS	REPORT AUTHOR:	IAN CUMMINS
OFFICERS CONSULTED:			
TITLE OF REPORT:	FINANCIAL REVIEW 2015/16 - APRIL TO DECEMBER 2015		

APPENDICES:	APPENDIX A1:	REVENUE BUDGET MOVEMENTS SUMMARY
	APPENDIX A2:	FIRE SERVICE REVENUE BUDGET MOVEMENTS SUMMARY
	APPENDIX A3:	AUTHORITY REVENUE BUDGET MOVEMENTS SUMMARY
	APPENDIX A4:	MOVEMENTS ON RESERVES
	APPENDIX B:	CAPITAL PROGRAMME 2015/16
	APPENDIX C:	APPROVED AUTHORITY CAPITAL PROGRAMME 2015/16 – 2019/20
	APPENDIX D:	DEBTOR WRITE-OFFS

Purpose of Report

1. To review the financial position, revenue and capital, for the Authority for 2015/16. 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 period April to December 2015.

Recommendation

2. That Members;
 - Note the potential £0.650m favourable revenue position identified within this report,
 - Approve the utilisation of the £0.650m favourable revenue position to increase the capital investment reserve in light of the station merger programme and Service investment needs, and
 - Instruct the Treasurer to continue to work with budget managers to maximise savings in 2015/16.

Executive Summary

Revenue:

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

- To control Council Tax
- To 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 2015/16 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 £0.650m 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 station merger programme and Service investments. The Treasurer is continuing to work with budget holders to maximise savings in 2015/16.

The total budget requirement remains at the original budget level of £62.169m, (appendix A1 – A4 outlines in detail all the revenue budget and reserve movements).

Capital:

The inclusion of the new St Helens fire station (£5.250m), the reduction in other schemes of £2.342m plus other minor adjustments has led to a net increase of £2.917m in the capital programme since the last report. As the St Helens scheme is funded by non-borrowing resources the required level of borrowing has actually reduced by £2.432m. 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 A4.

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 December of the financial year 2015/16 (April – December 2015).
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.

Financial Review Structure

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

(A) Current Financial Year – 2015/16

6. 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:

7. **Budget Movements:** The attached Appendix A to this report summarises the movements in the revenue budget. The net budget requirement remains at £62.169m which is consistent with the original budget.
8. 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 net use of reserves for the period was £0.184m and was used to fund projects carried forward from 2014/15 or planned spend in 2015/16.

9. **Update on Budget Savings Implementation:** The Authority has approved savings in total of £25.577m as part of the medium term financial plan. These savings will take until 2016/17 to deliver in full because operational savings are being achieved by natural retirement rates. Of this total £21.880m of saving options have been implemented in 2015/16 which is consistent with the approved budget plan. These savings will be delivered in cash terms and the Service is progressing well with the station merger programme to deliver the required structural changes in its workforce to maintain the savings on a permanent basis.

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

Table A

Progress in Implementing Approved Saving Options					
	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
A) Phase 1 & 2 (2011/12 & 2013/14 Budgets) Approved Savings:					
Options formally implemented into budget	-19,202	-19,277	-19,277	-19,277	-19,277
B) 2014/15 Budget Approved Savings:					
Options formally implemented into budget	-2,678	-6,020	-6,300	-6,300	-6,300
Total	-21,880	-25,297	-25,577	-25,577	-25,577
Total Value of Approved Savings Options (A + B)	-21,880	-25,297	-25,577	-25,577	-25,577
Total of Approved Savings yet to be formally implemented	0	0	0	0	0

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

10. **Actual Expenditure in comparison to Revenue Budget:** The Authority will sustain further grant cuts in 2016/17 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 to allow the Service time to implement the restructuring to deliver the required savings and manage risk as the full scale of grant reductions take effect. After reviewing spend up to the end of December 2015 Officers have identified the following savings:

Employee Costs;

Employee costs make-up nearly 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 are slightly ahead of schedule compared to the forecast profile adopted for the financial strategy. After taking account of other small employee variances on the uniform and non-uniform employee budget the expected overall saving on employee costs is £0.250m, equivalent to -1%.

Other Non-Employee Revenue Costs;

The Treasurer is continuing to work with budget holders to maximise savings in 2015/16. The Authority had approved a support services green book saving option of £0.450m in 2015/16 rising to £0.900m by 2016/17. The savings on non-employee elements of this saving are slightly ahead of schedule increasing the saving this year by £0.250m.

Contingency for 2015/16 Pay & Price Increases;

All pay awards for 2015/16 have been settled and are in line with the 1% assumed in the financial plan. 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 forthcoming financial challenge. At this point in time a saving of £0.150m is anticipated.

The Treasurer is continuing to work with budget holders to maximise savings in 2015/16 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 structural changes.

Overall the latest forecast has identified a revenue saving of £0.650m. Members are asked to approve the utilisation of this saving to fund an increase in the capital investment reserve in order to provide funding towards the future station merger initiative and Service investments. Table B below summarise the revenue year-end forecast position based on spend to the end of December 2015:

Table B: Anticipated Year-End Revenue Position

	FIRE SERVICE BUDGET	Fire Authority	TOTAL BUDGET	ACTUAL as at 31.12.15	FORE- CAST	VARI- ANCE
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure						
Employee Costs	47,630	406	48,036	33,380	47,786	-250
Premises Costs	2,840	0	2,840	1,780	2,840	0
Transport Costs	1,602	0	1,602	1,036	1,602	0
Supplies and Services	3,960	67	4,027	1,978	3,777	-250
Agency Services	5,605	0	5,605	4,544	5,605	0
Central Support Services	487	94	581	307	581	0
Capital Financing	7,609	0	7,609	0	7,609	0
Income	-7,039	0	-7,039	-4,723	-7,039	0
Net Expenditure	62,694	567	63,261	38,302	62,761	-500
Contingency Pay&Prices	319		319	0	169	-150
Cost of Services	63,013	567	63,580	38,302	62,930	-650
Interest on Balances	-372		-372	-50	-372	0
Movement on Reserves	-1,039		-1,039	0	-1,039	0
Total Operating Cost	61,602	567	62,169	38,252	61,519	-650

Capital Programme Position:

11. The last financial review report (CFO/091/15) approved a 5 year capital programme worth £37.624m. This has now been updated for £2.917m of scheme changes in quarter 3 which are summarised in the table below:

TABLE C

Movement in the 5 Year Capital Programme						
	Total Cost	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure						
Amendments to Approved Schemes;						
New St Helens FS (CFO/059/15)	5,250.0	0.0	4,250.0	1,000.0		
New Gas Tight Suits funded from grant	8.3	8.3				
Re-phasing of schemes between years	0.0	-4,502.3	3,762.3	1,000.0	-260.0	
Review of Scheme profiles & requirements	-2,341.8	-6,249.3	1,473.0	1,718.5	234.0	482.0
	2,916.5	-10,743.3	9,485.3	3,718.5	-26.0	482.0
Funding						
Borrowing:						
Review of Scheme profiles & requirements	-2,341.8	-6,149.3	373.0	2,718.5	234.0	482.0
Re-phasing of schemes between years	0.0	-4,602.3	4,862.3		-260.0	
Redction in smoke alarm sales/increase in borrowing	90.0		35.0	35.0	35.0	-15.0
Capital Reserve						
New St Helens FS (CFO/059/15)	3,060.0	0.0	2,760.0	300.0		
Reduction in Cap Res Drawdown due to use of full Transformation Grant on 2 station merger schemes	-1,192.0		-1,192.0			
Revenue Contribution to Capital Outlay(RCCO)						
Redction in smoke alarm sales/increase in borrowing	-90.0	0.0	-35.0	-35.0	-35.0	15.0
Capital Grant						
Reduction in Cap Res Drawdown due to use of full Transformation Grant on 2 station merger schemes	1,192.0		1,192.0			
New St Helens FS Transomation Grant	1,490.0	0.0	1,490.0			
New Gas Tight Suits funded from grant	8.3	8.3				
Capitla Receipts						
Sale of old St Helens FS	100.0	0.0	0.0	100.0		
Sale of Eccleston	600.0	0.0	0.0	600.0		
	2,916.5	-10,743.3	9,485.3	3,718.5	-26.0	482.0

12. Although the level of planned expenditure has increased the level of required borrowing has actually reduced by £2.432m. This is because the increase in planned expenditure is being funded by specific resources and planned spend on schemes funded through borrowing has fallen. Details of the planned changes in quarter 3 are outlined below:

- The Authority approved report CFO/094/15 on the proposed new community fire station in St Helens at the meeting on 17th December 2015. The £5.250m scheme has now been included in the approved capital programme and is fully funded from non-borrowing resources.
- Re-phasing of £4.502m from 2015/16 into future years to reflect the latest

scheme delivery times particularly for building and vehicle schemes. The new Prescott fire station has re-phased £2.100m from 2015/16 into 2016/17 due to delays in agreeing the final plans with partners and the planning authority. The Incident Management Unit Vehicle, £0.600m, has been re-phased into 2016/17 while alternative options are being identified and requiring appraisal.

- The programme has been reviewed and re-assessed based on latest information and service needs. This has resulted in an allocation out from the building central station refurbishment provision into specific station refurbishment schemes and other re-alignments. Spending on building schemes has reduced by £1.376m as required spend on station refurbishment has fallen and the planned purchase of four new fire appliances in 2015/16 is no longer required. Overall planned spend has reduced by £2.342m.
- The Government has awarded the Authority a Marauding Terrorist Firearms Attack (MTFA) asset refresh capital grant of £0.008m, and this is being used to purchase ballistic protection. This scheme has been built into the 2015/16 programme.

13. The revised detailed capital programme is attached as **Appendix B** (2015/16 Capital Programme) and **Appendix C** (2015/16–2019/20 Capital Programme) to this report.

Use of Reserves:

14. The analysis in Appendix A4 outlines the £0.184m movement on reserves during the third quarter of 2015/16. The drawdown is from earmarked reserves to fund planned expenditure in 2015/16. £0.174m relates to the use of the severance reserve to fund payments made since the last financial review report. The general revenue reserve has remained unchanged at £2.000m.
15. It is recommended that the £0.650m 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 station merger programme and to support the Authority strategy of aiming to minimise borrowing costs.

(B) Treasury Management

16. The Authority continues to “buy in” Treasury Management from Liverpool City Council. The following paragraphs reflect Treasury Management activities in the period April to December 2015.

17. **Prospects For Interest Rates;**

The Bank of England MPC has continued to vote to hold bank rate at 0.5% although one member has voted for an increase. Inflation is unlikely to rise in the near future as strongly and as quickly as previously expected. There are also major concerns around the slowdown in Chinese growth, the impact of falling oil and commodity prices and the volatility in equity and bond markets. The lack of inflation pressures allied to weaker than expected growth has seen market expectations of a rate hike to be no earlier than the middle of 2016.

Despite market turbulence since late August causing a sharp downturn in PWLB rates, the overall trend is for longer term rates to rise when economic recovery is

firmly established. This upward pressure has been subdued by moderate growth and subdued inflation due to falling oil prices. There has also been considerable volatility because of uncertainties over Greek debt and Chinese markets. Long term PWLB rates rose during the first quarter but fell back again in the second quarter to their original level before resuming upward movement in the third quarter. At the end of December these rates had risen by around 0.2% from the start of the financial 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 2015/16. In this scenario, the strategy would be to reduce investments and borrow for short periods and possibly at variable rates when required.

18. 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 2015/16. Current market conditions continue to be unfavourable for any debt rescheduling.

19. Annual Investment Strategy;

The investment strategy for 2015/16 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.

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 2015/16 are as follows:

UK Government including gilts and the Debt Management Account Deposit Facility, (DMADF)	Unlimited
UK Local Authorities (each)	Unlimited
Part Nationalised UK banks	£4m
Money Market Funds (AAA rated)	£3m
Enhanced Money Market (Cash) Funds (AAA rated)	£3m
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, the larger building societies and AAA rated money market funds has enabled reasonable returns in a low interest rate environment. In the period 1st April to 31st December 2015 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 0.36%. The investment strategy for 2015/16 set out the priorities as the security of capital and liquidity of investments.

The Authority had investments of £21.8m as at 31st December 2015. The table below outlines the breakdown of where the current investments are held:

ANALYSIS OF INVESTMENTS END OF QUARTER 3 (31 December 2015) 2015/16				
Institution	Credit Rating	MM Fund*	Bank / Other	Building Society
		£	£	£
Ignis Liquidity Fund (Standard Life)	AAA	1,800,000		
Close Brothers	A		2,000,000	
Handelsbanken	A		2,000,000	
HBOS FTD	A		2,000,000	
HBOS FTD	A		2,000,000	
Sumitomo Mitsui Banking Corporation (Japan)	A		2,000,000	
Santander UK	A		2,000,000	
Nationwide B Soc	A			2,000,000
Newcastle B Soc	Unrated			1,000,000
Nottingham B Soc	Unrated			1,000,000
Principality B Soc	Unrated			1,000,000
Progressive B Soc	Unrated			1,000,000
Skipton B Soc	Unrated			1,000,000
West Brom B Soc	Unrated			1,000,000
Totals		1,800,000	12,000,000	8,000,000
Total Current Investments				21,800,000
<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>				

20. External Debt Prudential Indicators;

The external debt indicators of prudence for 2015/16 required by the Prudential Code were set in the strategy as follows:

Authorised limit for external debt:	£65 million
Operational boundary for external debt:	£45 million

Against these limits, the maximum amount of debt reached at any time in the in the period 1st April to 31st December 2015 was £42.1 million.

21. Treasury Management Prudential Indicators;

The treasury management indicators of prudence for 2015/16 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 1st April to 31 December 2015 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 2015/16 was as follows: -

c)	Maturity Period	Upper Limit	Lower Limit	Maximum	Minimum	Total principal sums invested periods longer than 364 days
	Under 12 months	50%	0%	5%	2%	
for	12 months and within 24 months	50%	0%	5%	2%	
	24 months and within 5 years	50%	0%	4%	2%	
	5 years and within 10 years	50%	0%	9%	8%	
days	10 years and above	90%	0%	82%	80%	

The limit for investments of longer than 364 days was set at £2 million for 2015/16. No such investments have been placed during 2015/16.

(C) Internal Audit

22. The Authority continues to “buy in” Internal Audit services from Liverpool City Council. Since the last financial review report Internal Audit have commenced two audits but have not yet finalised the fieldwork. A progress report on the approved audit plan was considered by the Audit Sub-Committee on 28th January 2016, and as planned most audits will commence and finish in the last quarter of the year.

(D) Monitoring of Financial Processes

23. 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

24. 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 of invoices, is reported monthly (LPI128).
-

-
25. The performance for this financial year is as follows:

	<u>1stqtr</u>	<u>2ndqtr</u>	<u>3rdqtr</u>	<u>4thqtr</u>
Invoices paid within 30days of receipt	100%	100%	100%	
Number of Invoices processed	3283	3656	3,672	

26. The target for prompt payment in 2015/16 is 100%. The second quarter's results confirm the Service continues to respond quickly and efficiently to requests for payment from suppliers with 3,672 out of 3,672 invoices being paid within the required timeframe.

Processing Sales Invoices

27. 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%	99%	
Number of Sales Invoices raised	222	267	282	

Debt Recovery

28. 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+

	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>
Oct	38	39	45
Nov	23	40	44
Dec	26	56	44

Value of debts 60 days+

	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Oct	61	111	46
Nov	18	42	28
Dec	25	101	61

29. 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.

30. Debtor accounts under £5,000 may be written off by the Treasurer. Two accounts have been approved for write-off under delegated powers totalling £3,340 (excl. VAT) following advice from the litigation service. Details of these accounts can be found in Appendix D.
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Equality and Diversity Implications

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

Staff Implications

32. There are no staff implications contained within this report.

Legal Implications

33. There are no legal implications contained within this report.

Financial Implications & Value for Money

34. See Executive Summary.

Risk Management, Health & Safety, and Environmental Implications

35. There are no risk management, health and safety or environmental implications contained within this report.

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

36. 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/014/15 "MFRA Budget and Financial Plan 2015/2016-2019/2020" Authority 26th February 2015.

CFO/074/15 "Financial Review 2015/16- April to June" Policy and Resources Committee 17th September 2015.

CFO/91/15 "Financial Review 2015/16- April to September" Authority 17th December 2015.

GLOSSARY OF TERMS

MPC	Monetary Policy Committee
PWLB	Public Works Loans Board
PPC	Prompt payment code

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2015/16 REVENUE BUDGET MOVEMENT SUMMARY

Actual 2014/15	SERVICE REQUIREMENTS	Base Budget 2015/16	Qtr 1 Budget 2015/16	Qtr 2 Budget 2015/16	Reserve Draw- down	Vire- ments	Qtr 3 Budget 2015/16
£'000		£'000	£'000	£'000	£'000	£'000	£'000
64,352	Fire Service	62,698	62,910	62,434	184	76	62,694
485	Corporate Management	562	562	562	0	5	567
0	2013 - 14 New Dynamic Staff Saving	-78	-78		0	0	0
0	2014 - 15 New Dynamic Staff Saving	-450	-450	0	0	0	0
64,837		62,732	62,944	62,996	184	81	63,261
0	Contingency for Pay/Price Changes	1,038	1,012	400		-81	319
-253	Interest on Balances	-372	-372	-372	0	0	-372
64,584	NET OPERATING EXPENDITURE	63,398	63,584	63,024	184	0	63,208
	<u>Contribution to /(from) Reserves</u>						
	<u>Emergency Related Reserves</u>						
500	Insurance Reserve	0	0	0	0	0	0
-500	Catastrophe Reserve	0	0	0	0	0	0
	<u>Modernisation Challenge</u>						
-5,055	Smoothing Reserve	-372	-372	-372	0	0	-372
-100	Severance Reserve	0	0	-82	-174	0	-256
92	Ill Health Penalty Reserve	0	0	0	0	0	0
-100	SMG Reserve	0	0	0	0	0	0
	<u>Capital Investment Reserve</u>						
7,761	Capital Investment Reserve	-882	-932	-236	0	0	-236
-25	PFI Annuity Reserve	-49	-49	-49	0	0	-49
-225	Equality / DDA Investment Reserve	0	0	0	0	0	0
-200	Firefighter Safety Investment Res.	0	-40	-40	0	0	-40
-800	Facing the Future Challenge Res.	0	0	0	0	0	0
	<u>Specific Projects</u>						
-9	Community Sponsorship Reserve	0	-4	-4	0	0	-4
31	Equipment Reserve	0	-55	-55	-10	0	-65
-6	FSD Reserve	0	0	0	0	0	0
28	Healthy Living / Olympic Legacy	0	-35	-85	0	0	-85
-4	Water Rescue Reserve	0	0	0	0	0	0
-1,000	Inflation Reserve	0	0	0	0	0	0
16	Clothing / Boots Reserve	0	0	0	0	0	0
100	CFOA Road Safety Reserve	0	0	0	0	0	0
	<u>Ringfenced Reserves</u>						
8	F.R.E.E. Reserve	0	0	0	0	0	0
25	Princes Trust Reserve	0	0	0	0	0	0
-1	Community Youth Team Reserve	0	0	0	0	0	0
-1	Beacon Peer Project Reserve	0	0	0	0	0	0
2	Innovation Fund Reserve	0	0	0	0	0	0
-18	Regional Control Reserve	0	0	0	0	0	0
-1	Energy Reserve	74	72	72	0	0	72
-5	St Helens District Reserve	0	0	-4	0	0	-4
153	New Dimensions Reserve	0	0	0	0	0	0
-894	Appropriation to/From Balances	0	0	0	0	0	0
-228		-1,229	-1,415	-855	-184	0	-1,039
64,356	BUDGET REQUIREMENT	62,169	62,169	62,169	0	0	62,169
-40,519	Settlement Funding Assessment	-36,909	-36,909	-36,909	0	0	-36,909
-407	Collection Fund Deficit	-778	-778	-778	0	0	-778
-23,430	Precept Income	-24,482	-24,482	-24,482	0	0	-24,482
-64,356	BUDGET FUNDING	-62,169	-62,169	-62,169	0	0	-62,169

2015/16 FIRE SERVICE REVENUE BUDGET MOVEMENT

Actual 2014/15 £'000	SERVICE REQUIREMENTS	Base Budget 2015/16 £'000	Qtr 1 Budget 2015/16 £'000	Qtr 2 Budget 2015/16 £'000	Reserve Draw- down £'000	Vire- ments £'000	Qtr 3 Budget 2015/16 £'000
	EMPLOYEES						
	Uniformed						
32,306	Firefighters	32,201	31,455	32,621			32,621
1,304	Control	1,299	1,299	1,260			1,260
2,073	Additional Hours	1,251	1,275	1,284		-35	1,249
35,683	TOTAL UNIFORMED	34,751	34,029	35,165	0	-35	35,130
	APT&C and Manual						
8,488	APT&C	8,458	8,601	8,576		149	8,725
260	Handymen/Cleaning	309	153	153		1	154
114	Catering	126	126	134			134
561	Transport Maintenance	558	538	531		7	538
56	Other Manual	70	70	70			70
105	Casuals	0	0	8		10	18
9,584	TOTAL APT&C/MANUAL	9,521	9,488	9,472	0	167	9,639
	Other Employee Expenses						
121	Allowances	61	85	89		4	93
2	Removal Expenses	5	5	5		-1	4
387	Training Expenses	550	533	574		42	616
0	Interview Expenses	0	0	0			0
143	Other Expenses	29	29	109	174		283
13	Staff Advertising	15	14	6		4	10
56	Development Expenses	62	67	60		-7	53
562	Employee Insurance	133	162	162		-27	135
2,538	MPF Pen Fixed Rate	0	0	0			0
128	Enhanced pensions	52	52	52			52
4	SSP & SMP Reimbursements	-16	-16	-16			-16
117	Catering Expenditure	113	113	113		14	127
-488	HFRA Capitalisation Payroll	-450	-450	-450			-450
3,583	TOTAL OTHER EMPLOYEE EXPEND	554	594	704	174	29	907
	Pensions						
1,777	Injury Pension	1,740	1,740	1,780			1,780
411	Ill Health Ret charges	174	174	174			174
0	Injury Gratuity	0	0	0			0
2,188	TOTAL PENSIONS	1,914	1,914	1,954	0	0	1,954
51,038	TOTAL EMPLOYEES	46,740	46,025	47,295	174	161	47,630
	PREMISES						
313	Building Maintenance Repairs	364	197	191		-7	184
258	Site Maintenance Costs	181	58	69		-4	65
868	Energy	807	809	810		4	814
90	Rent	104	104	97			97
1,050	Rates	1,314	1,339	1,314			1,314
247	Water	228	206	206		-4	202
53	Fixtures	57	67	70		4	74
128	Contract Cleaning	152	38	40			40
47	Insurance	65	50	50			50
3,054	TOTAL PREMISES	3,272	2,868	2,847	0	-7	2,840
	TRANSPORT						
403	Direct Transport	383	382	383		-2	381
25	Tunnel Fees	29	29	29			29
165	Operating Lease	198	199	201			201
437	Other Transport Costs	495	495	498		3	501
140	Car Allowances	114	116	119		-3	116
314	Insurance	344	346	346		28	374
1,484	TOTAL TRANSPORT	1,563	1,567	1,576	0	26	1,602

2015/16 FIRE SERVICE REVENUE BUDGET MOVEMENT

Actual 2014/15 £'000	SERVICE REQUIREMENTS	Base Budget 2015/16 £'000	Qtr 1 Budget 2015/16 £'000	Qtr 2 Budget 2015/16 £'000	Reserve Draw- down £'000	Vire- ments £'000	Qtr 3 Budget 2015/16 £'000
	SUPPLIES & SERVICES						
43	Administrative Supplies	32	34	50		1	51
343	Operational Supplies	291	303	298		-2	296
2	Hydrants	18	18	18			18
73	Consumables	76	47	47			47
121	Training Supplies	146	145	145	10	-4	151
93	Fire Prevention Supplies	135	142	132		13	145
48	Catering Supplies	28	32	33		10	43
306	Uniforms	321	330	318		6	324
125	Printing & Stationery	128	134	139		4	143
1	Operating Leases	2	2	2			2
542	Professional Fees/Service	1,667	2,528	958		36	994
681	Communications	689	689	705		-7	698
22	Postage	30	30	30		-5	25
6	Command/Control	10	11	8			8
303	Computing	330	334	340		-17	323
294	Medicals	292	292	292		-1	291
103	Travel & Subsistence	80	95	94		3	97
83	Grants/Subscriptions	95	91	85			85
14	Advertising	10	15	13		-2	11
63	Furniture	34	83	83			83
80	Laundry	81	81	81			81
33	Insurances	49	35	35			35
4	Hospitality	8	8	9			9
3,383	TOTAL SUPPLIES & SERVICES	4,552	5,479	3,915	10	35	3,960
	AGENCY SERVICES						
144	Super Fund Admin	93	93	100			100
1,442	ICT Service Provider	1,437	1,437	1,396		83	1,479
195	Third Party Payments (FSN)	195	195	195			195
442	ICT Managed Suppliers	324	324	458		-59	399
2,457	PFI Unitary Charges	2,663	2,663	2,663			2,663
0	Estates Service Provider	0	745	745		24	769
4,680	TOTAL AGENCY SERVICES	4,712	5,457	5,557	0	48	5,605
	CENTRAL EXPENSES						
344	Finance & Computing	453	456	486		1	487
344	TOTAL CENTRAL EXPENSES	453	456	486	0	1	487
	CAPITAL FINANCING						
5,186	PWLB Debt Charges	6,151	6,151	6,111			6,111
69	MRB Debt Charges	76	76	76			76
2,364	Revenue Contribution to Capital	1,330	1,414	1,413		9	1,422
7,619	TOTAL CAPITAL FINANCING	7,557	7,641	7,600	0	9	7,609
71,602	TOTAL EXPENDITURE	68,849	69,493	69,276	184	273	69,733
	INCOME						
3,813	Specific Grants	3,699	3,813	3,975		36	4,011
9	Sales	0	0	0			0
1,524	Fees & Charges	959	1,155	1,190		205	1,395
9	Reinforcing Moves	5	5	5			5
681	Rents etc	743	783	833		-50	783
741	Recharges Secondments	456	535	535			535
350	Contributions	170	173	183		6	189
108	Recharges Internal	114	114	108			108
15	Other Income	5	5	13			13
7,250	TOTAL INCOME	6,151	6,583	6,842	0	197	7,039
64,352	NET EXPENDITURE	62,698	62,910	62,434	184	76	62,694

2015/16 AUTHORITY REVENUE BUDGET MOVEMENT

Actual 2014/15	SERVICE REQUIREMENTS	Base Budget 2015/16	Qtr 1 Budget 2015/16	Qtr 2 Budget 2015/16	Reserve Draw- down	Vire- ments	Qtr 3 Budget 2015/16
£'000		£'000	£'000	£'000	£'000	£'000	£'000
	EXPENDITURE						
	Finance & Legal costs						
79	Finance Officer	79	79	79			79
83	Legal Officer	91	91	101		4	105
	Democratic Rep (1020)						
13	- Travel & Subsistence	55	55	45		1	46
1	- Conference Fees	15	15	15			15
225	- Members Allowances	222	222	222			222
0	- Telephones	2	2	2			2
0	- Training	1	1	1			1
0	- Hospitality	3	3	3			3
	Central Expenses (1030)						
16	Bank charges	17	17	17			17
40	District Audit Fees	48	48	48			48
28	Subscriptions	29	29	29			29
485	TOTAL EXPENDITURE	562	562	562	0	5	567

Budgeted Movement on Reserves 2015/16

	Opening Balance	Original Budget Planned Use	Qtr 1 Drawdown n & changes	Qtr 2 Drawdown & changes	Qtr 3 Drawdown & changes	Closing Balance
Earmarked Reserves	£'000	£'000	£'000	£'000	£'000	£'000
<u>Emergency Related Reserves</u>						
Bellwin Reserve	147	0				147
Insurance Reserve	870	0				870
Emergency planning Reserve	75	0				75
Catastrophe Reserve	500	0				500
<u>Modernisation Challenge</u>						
Smoothing Reserve	1,695	-372				1,323
Severance Reserve	621	0		-82	-174	365
Ill Health Penalty Reserve	1,000	0				1,000
Recruitment Reserve	1,000	0				1,000
Capital Investment Reserve	12,039	-882	-50	696	0	11,803
PFI Annuity Reserve	2,226	-49				2,177
Equality / DDA Investment Reserve	285	0				285
Firefighter Safety Investment Reserve	800	0	-40			760
<u>Specific Projects</u>						
Community Sponsorship Reserve	4	0	-4			0
Equipment Reserve	222	0	-55		-10	157
Contestable Research Fund	25	0				25
Healthy Living / Olympic Legacy	108	0	-35	-50		23
Inflation Reserve	500	0				500
Clothing / Boots Reserve	16	0				16
CFOA Road Safety Reserve	100	0				100
<u>Ringfenced Reserves</u>						
F.R.E.E. Reserve	52	0				52
Princes Trust Reserve	368	0				368
Community Youth Team Reserve	58	0				58
Beacon Peer Project Reserve	62	0				62
Innovation Fund Reserve	171	0				171
Energy Reserve	84	74	-2	0		156
St Helens District Reserve	10	0		-4		6
New Dimensions Reserve	947	0				947
Total Earmarked Reserves	23,985	-1,229	-186	560	-184	22,946
General Revenue Reserve	2,000	0	0	0	0	2,000
Total Reserves	25,985	-1,229	-186	560	-184	24,946

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Capital Programme 2015/16

<u>EXPENDITURE</u>		Approved Budget	Approved 2014/15 Re-phasing	Qtr 1 Budget	Qtr 2 Budget	Qtr 3 Amend-ments	Qtr 3 Re-Phasings	QTR 3 Vire-ments	Qtr 3 Budget	Actual to 31.12.15
		£	£	£	£	£	£	£	£	£
<u>BUILDING & LAND PROGRAMME</u>										
BLD001	Roofs & Canopy Replacements	50,000	39,000	89,000	89,000	-49,000			40,000	0
BLD004	Concrete Yard Repairs	20,000	9,000	29,000	29,000	-9,000			20,000	6,200
BLD005	Tower Improvements	0	10,000	10,000	10,000				10,000	0
BLD007	L.E.V. Sys In App Rooms	0	1,100	1,100	1,100				1,100	0
BLD011	Capital Refurbishment	0	57,000	57,000	0				0	0
BLD013	Appliance Room Floors	46,500	51,500	98,000	98,000	-58,000			40,000	0
BLD014	Boiler Replacements	0	34,500	34,500	34,500	-19,500			15,000	0
BLD016	Community Station Investment	0	36,500	36,500	36,500				36,500	34,265
BLD017	F.S. Refurbishment Toxteth	0		0	0				0	-34,528
BLD018	Conference Faciities H/Q	4,500	41,000	45,500	45,500	-35,500			10,000	40,651
BLD020	5 Year Electrical Test	138,000	5,000	143,000	143,000	-73,000			70,000	0
BLD026	Corporate Signage	5,000		5,000	5,000				5,000	0
BLD031	Diesel Tanks	150,000		150,000	150,000		-130,000		20,000	0
BLD033	Sanitary Accommodation Refurb	30,000	49,000	79,000	79,000				79,000	0
BLD034	Office Accommodation	25,000	2,000	27,000	27,000				27,000	0
BLD036	L.L.A.R. Accommodation Formby	300,000	10,000	310,000	310,000		-310,000		0	0
BLD039	F.S. Refurbishment Heswall	150,000		150,000	150,000	-150,000			0	0
BLD041	F.S. Refurbishment Aintree	0		0	0	15,000			15,000	0
BLD042	St Helens Conversion	0	71,000	71,000	71,000	-61,000			10,000	0
BLD044	Asbestos Surveys	50,000	10,000	60,000	60,000	-35,000			25,000	0
BLD045	City Centre Community Facility	70,000	9,500	79,500	79,500	-79,500			0	0
BLD055	F.S. Refurbishment Bromborough	0	3,000	3,000	3,000	-3,000			0	0
BLD058	H.V.A.C. Heating, Vent & Air Con	50,000	42,000	92,000	92,000	-62,000			30,000	0
BLD060	D.D.A. Compliance Work	250,000	27,300	277,300	277,300	-177,300			100,000	5,281
BLD061	Lighting Conductors Surge Protectors	55,000		55,000	55,000	-45,000			10,000	0
BLD062	Emergency Lighting	0	26,000	26,000	26,000	-21,000			5,000	0
BLD063	F.S. Refurbishment Kirby	0		0	0	25,000			25,000	0
BLD065	MACC Server Room Extension	0	4,000	4,000	0				0	0
BLD067	Gym Equipment Replacement	25,000	56,000	81,000	81,000	-41,000			40,000	35,658
BLD068	SHQ Joint Control Room	0	395,000	395,000	395,000				395,000	-214,153
BLD070	Workshop Enhancement	250,000	120,000	370,000	370,000	-220,000			150,000	0
BLD071	Station Refresh	75,000	31,000	106,000	163,000	-138,000			25,000	58,020
BLD072	SHQ Tower	0	14,500	14,500	14,500				14,500	0
BLD073	SHQ Museum	75,000	151,000	226,000	191,000		-191,000		0	0
BLD074	SHQ 2 Storey Refresh	0		0	0				0	-9,987
BLD075	Llar Accomodation Newton Le Willows	310,000		310,000	310,000		-310,000		0	0
BLD076	F.S. Refurbishment Huyton	0		0	0	25,000			25,000	0
BLD077	F.S. Refurbishment Upton	275,000		275,000	0	25,000			25,000	0
BLD078	F.S. Refurbishment West kirby	400,000		400,000	0				0	0
BLD079	F,S General Station Refurbishment	3,410,000		3,410,000	4,085,000	-4,085,000			0	2,536
BLD080	Prescot Fire Station Build	3,100,000		3,100,000	3,100,000		-2,100,000		1,000,000	405,953
BLD081	SHQ Stage C Works	0	715,500	715,500	727,600				727,600	657,298
BLD082	Saughill Massie Fire Station Build	0		100,000	100,000	100,000			200,000	0
BLD091	Refurbishment TDA	0		0	0	100,000			100,000	0
CON001	Energy Conservation Non-Salix	25,000	33,500	58,500	58,500				58,500	0
CON002	Energy Conservation Salix	0	75,000	75,000	75,000				75,000	70,093
DSO001	D.S.O. Cleaning Equipment	6,000		6,000	0				0	0
EQU002	Fridge/Freezer Rep Prog	10,500	7,000	17,500	23,500	-13,500			10,000	1,515
EQU003	Furniture Replacement Prog	10,500	20,000	30,500	30,500	-20,000			10,500	12,249
TDA001	Fire House Refurbishment	0	30,000	30,000	30,000		-30,000		0	14,700
Total		9,366,000	2,186,900	11,652,900	11,626,000	-5,105,300	-3,071,000	0	3,449,700	1,085,751
<u>FIRE SAFETY</u>										
FIR002	Smoke Alarms (H.F.R.A.)	300,000		300,000	300,000				300,000	112,595
FIR005	Installation Costs (H.F.R.A.)	450,000		450,000	450,000				450,000	0
FIR006	Deaf Alarms (H.F.R.A.)	25,000		25,000	25,000				25,000	23,617
FIR007	Replacement Batteries (H.F.R.A.)	2,000		2,000	2,000				2,000	1,299
FIR009	Risk Management Residential Blocks	0	200,000	200,000	200,000		-200,000		0	0
Total		777,000	200,000	977,000	977,000	0	-200,000	0	777,000	137,511

Capital Programme 2015/16

<u>EXPENDITURE</u>	Approved Budget	Approved 2014/15 Re-phasing	Qtr 1 Budget	Qtr 2 Budget	Qtr 3 Amend-ments	Qtr 3 Re-Phasings	QTR 3 Vire-ments	Qtr 3 Budget	Actual to 31.12.15
£	£	£	£	£	£	£	£	£	£
ICT									
FIN001 F.M.I.S. Replacement	0	108,500	108,500	108,500				108,500	29,368
IT002 I.C.T. Software	177,000		177,000	177,000				177,000	167,737
IT003 I.C.T. Hardware	201,000	-9,300	191,700	193,900			27,900	221,800	40,208
IT005 I.C.T. Servers	80,000		80,000	80,000				80,000	75,006
IT018 I.C.T. Network	200,000		200,000	200,000		-60,000		140,000	104,595
IT026 I.C.T. Operational Equipment	12,000		12,000	3,900			-3,900	0	0
IT027 I.C.T. Security	2,000		2,000	2,000				2,000	0
IT028 System Development Portal	25,000	76,000	101,000	101,000		7,000		108,000	73,052
IT030 I.C.T. Projects / Upgrades	5,000		5,000	5,000			-5,000	0	0
IT039 Estates Management System	20,000		20,000	20,000	-20,000			0	0
IT040 Analytical Tool CFS Work	0	14,000	14,000	14,000		-14,000		0	0
IT046 TRM System	0		0	32,500			0	32,500	32,507
IT049 Wireless Rollout	0	18,300	18,300	18,300				18,300	18,241
IT050 Community Protection System	0	30,000	30,000	30,000				30,000	0
IT051 JCC Airwave Solution	0	100,000	100,000	100,000			-1,000	99,000	70,905
IT052 JCC Specialist IT	0	7,000	7,000	7,000			-7,000	0	0
IT053 JCC Backup MACC	0	57,000	57,000	57,000				57,000	17,280
IT055 C3i C&C Comms and Info system	15,000	4,000	19,000	19,000			-11,000	8,000	4,690
IT056 PFI Access Door System	0	18,000	18,000	18,000				18,000	0
IT057 Fleet Management System	0	12,000	12,000	12,000				12,000	11,200
Total	737,000	435,500	1,172,500	1,199,100	-20,000	-67,000	0	1,112,100	644,789
OPERATIONAL EQUIP. & HYDRANTS									
OPS001 Gas Tight Suits Other Ppe	0	23,500	23,500	23,500	8,300			31,800	0
OPS003 Hydraulic Rescue Equipment	0	9,000	101,000	101,000		160,000		261,000	250,686
OPS005 Resuscitation Equipment	0	20,000	20,000	20,000				20,000	4,523
OPS009 Pod Equipment	50,000	69,000	119,000	119,000		-75,000		44,000	5,210
OPS011 Thermal Imaging Cameras	0	11,500	11,500	11,500				11,500	0
OPS022 Improvements To Fleet	20,000		13,000	10,000			1,500	11,500	8,575
OPS023 Water Rescue Equipment	50,000	13,000	63,000	63,000		-40,000	-1,500	21,500	15,426
OPS024 BA equipment / Comms	0	217,000	217,000	217,000		-130,000		87,000	59,288
OPS026 Rope Replacement	0	30,000	30,000	30,000				30,000	0
OPS027 Light Portable Pumps	0	20,000	20,000	20,000		-20,000		0	0
OPS031 Cctv Equipment/Drone	0	8,000	48,000	48,000				48,000	27,242
OPS038 Water Delivery System	0	52,000	52,000	52,000		-52,000		0	0
OPS039 Water Delivery Hoses	20,000	4,000	24,000	24,000				24,000	6,332
OPS049 Bulk Foam Attack Equipment	48,000		48,000	48,000		-48,000		0	0
OPS052 DEFRA FRNE Water Rescue Grant	0	18,000	18,000	18,000				18,000	0
OPS053 Methods of Entry	0	4,500	0	0				0	0
OPS054 Electrical Equipment	0	33,500	38,000	41,000				41,000	40,956
HYD001 Hydrants (New Installations)	18,500		18,500	18,500				18,500	2,504
HYD002 Hydrants (Rep Installations)	18,500		18,500	18,500				18,500	2,046
Total	225,000	533,000	883,000	883,000	8,300	-205,000	0	686,300	422,788
VEHICLES									
VEH001 Wtl'S Purchased	980,000	203,000	1,183,000	1,183,000	-980,000			203,000	201,536
VEH002 Ancillary Vehicles	470,100	255,000	725,100	725,100		-299,900		425,200	183,899
VEH004 Special Vehicles	1,112,000		1,156,000	1,142,680		-743,000		399,680	43,912
VEH005 Vehicles water Strategy	29,000		29,000	29,000		-16,400		12,600	12,565
VEH006 Motorcycle Response	44,000		44,000	44,000	-44,000			0	0
WOR001 Workshop Equipment	40,000	23,000	63,000	63,000				63,000	0
Total	2,675,100	481,000	3,200,100	3,186,780	-1,024,000	-1,059,300	0	1,103,480	441,912
Grand Total	13,780,100	3,836,400	17,885,500	17,871,880	-6,141,000	-4,602,300	0	7,128,580	2,732,751

Capital Programme 2015/16

<u>FINANCING</u>	Approved Budget	Approved 2014/15 Re-phasing	Qtr 1 Budget	Qtr 2 Budget	Qtr 3 Amend-ments	Qtr 3 Re-Phasings	QTR 3 Vire-ments	Qtr 3 Budget	Actual to 31.12.15
£	£	£	£	£	£	£	£	£	£
Capital Receipts									
BLD036 Sale of Formby LLAR House	0	350,000	350,000	350,000	0		0	350,000	0
Sale of Newton 2 LLAR House	275,000	0	275,000	275,000	0		0	275,000	0
BLD068 Sale of Derby Road	0	440,000	440,000	440,000	0		0	440,000	430,207
R.C.C.O. / Cap Investment Reserve									
99995575 Capitalisation of Sals HFRA (FIR005)	450,000	0	450,000	450,000	0		0	450,000	0
00265575 Telemetric Forklift Truck (VEH004)	0	0	44,000	44,000	0		0	44,000	44,000
00615575 CCTV on Fire Engines (OPS031)	0	0	40,000	40,000	0		0	40,000	40,000
00855575 It Equipment (IT003)	0	0	0	2,200	0		0	2,200	2,200
01105575 TRM System (IT046)	0	0	0	32,500	0			32,500	32,500
01785575 FSN Charge for Alarms (FIR002)	50,000	0	50,000	50,000	0		0	50,000	50,000
02365575 SHQ Museum Nwas Repaid	0	0	0	-35,000	0		0	-35,000	-35,000
01105575 Prescott FS (BLD080) Cap Inv Res	830,000	0	830,000	830,000	0		0	830,000	406,000
External Contributions									
02535575 MTFA PPE (OPS001)	0	0	0	0	0		8,300	8,300	8,300
BLD068 (Capital Grant) Police Grant	0	500,000	500,000	500,000	0		0	500,000	58,474
BLD080 Prescott Fire Station Build Grant	1,770,000	0	1,770,000	1,770,000	-1,770,000		0	0	0
BLD082 Suaghill Capital Transformation Grant	0	0	100,000	100,000	0		100,000	200,000	0
Total Non Borrowing	3,375,000	1,290,000	4,849,000	4,848,700	-1,770,000	0	108,300	3,187,000	1,036,681
Borrowing Requirement									
Unsupported Borrowing	10,405,100	2,546,400	13,036,500	13,023,180	-4,371,000	-4,602,300	-108,300	3,941,580	1,696,069
Borrowing	10,405,100	2,546,400	13,036,500	13,023,180	-4,371,000	-4,602,300	-108,300	3,941,580	1,696,069
Total Funding	13,780,100	3,836,400	17,885,500	17,871,880	-6,141,000		0	7,128,580	2,732,751

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Approved Authority Capital Programme for 2015/2016 - 2019/2020

Capital Expenditure	Total Cost £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Building/Land	23,430,700	3,449,700	14,399,500	4,070,500	630,500	880,500
Fire Safety	4,077,000	777,000	975,000	775,000	775,000	775,000
ICT	3,513,100	1,112,100	698,000	556,000	716,000	431,000
Operational Equipment & Hydrants	2,418,300	686,300	533,000	440,000	324,000	435,000
Vehicles	7,101,780	1,103,480	2,685,300	1,228,000	858,000	1,227,000
Expenditure	40,540,880	7,128,580	19,290,800	7,069,500	3,303,500	3,748,500
2015/16 - 2019/20 Qtr 2 Approved Programme	37,624,380	17,871,880	9,805,500	3,351,000	3,329,500	3,266,500
Q3 Current to Q2 Change	2,916,500	(10,743,300)	9,485,300	3,718,500	(26,000)	482,000
Q3 Movements Explained by:						
OPS001 Gas Tight Suits Other PPE - MTFA Grant (DCLG)	8,300	8,300				
BLD083 St Helens FS New Build (CFO/059/15)	5,250,000		4,250,000	1,000,000		
Qtr3 Re-Phasing of Schemes		(4,502,300)	3,762,300	1,000,000	(260,000)	
Qtr3 Review of Programme scheme requirements	(2,341,800)	(6,249,300)	1,473,000	1,718,500	234,000	482,000
Q3 Movements	2,916,500	(10,743,300)	9,485,300	3,718,500	(26,000)	482,000
Financing Available	Total £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Capital Receipts	3,615,000	1,065,000	1,850,000	700,000		
RCCO/Capital Reserves	8,860,000	1,422,000	5,743,000	765,000	465,000	465,000
Grants	7,142,000	700,000	6,442,000			
Total Non Borrowing	19,617,000	3,187,000	14,035,000	1,465,000	465,000	465,000
Unsupported Borrowing	20,923,880	3,941,580	5,255,800	5,604,500	2,838,500	3,283,500
Total Funding	40,540,880	7,128,580	19,290,800	7,069,500	3,303,500	3,748,500
Q2 Funding Level for 2015/16 - 2019/20 Programme	37,624,380	17,871,880	9,805,500	3,351,000	3,329,500	3,266,500
Q3 to Q2 Change	2,916,500	(10,743,300)	9,485,300	3,718,500	(26,000)	482,000
Qtr 3 Funding Change Explained by:						
RCCO/Capital Reserves	1,778,000		1,533,000	265,000	(35,000)	15,000
BLD083 St Helens FS New Build (CFO/059/15) - Capital reserve			2,760,000	300,000		
CFS alarm installation (FSD) -reduction in anticipated sales			(35,000)	(35,000)	(35,000)	15,000
Use of Transformation Capital Grant to reduce capital reserves			(1,192,000)			
Capital Receipts	700,000			700,000		
Sale of St Helens				100,000		
Sale of Eccleston				600,000		
Grants	2,690,300	8,300	2,682,000			
OPS001 Gas Tight Suits Other PPE - MTFA Grant (DCLG)		8,300				
BLD083 St Helens FS New Build (CFO/059/15) - Grant Funding			1,490,000			
Balance of Transformation Grant used to fund Saughall/St Helens			1,192,000			
Unsupported Borrowing	(2,251,800)	(10,751,600)	5,270,300	2,753,500	9,000	467,000
Reduction in RCCO for CFS alarm installation (FSD)			35,000	35,000	35,000	(15,000)
Qtr 3 Rephasings		(4,502,300)	3,762,300	1,000,000	(260,000)	
Q3 Budget Realignment		(6,249,300)	1,473,000	1,718,500	234,000	482,000
Q3 Movements	2,916,500	(10,743,300)	9,485,300	3,718,500	(26,000)	482,000

Building / Land - Approved Budget 2015/16 to 2019/20

Type of Capital Expenditure	Total Cost £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Major Site Refurbishments						
BLD039 FS Refurbishment Heswall	350,000	0	350,000			
BLD041 FS Refurbishment Aintree	15,000	15,000				
BLD042 St Helens Refurbishment	10,000	10,000				
BLD055 FS Refurbishment Bromborough	350,000	0		350,000		
BLD063 FS Refurbishment Kirkby	375,000	25,000	350,000			
BLD070 Workshop Enhancement	250,000	150,000	100,000			
BLD071 Station Refresh	125,000	25,000	25,000	25,000	25,000	25,000
BLD076 FS Refurbishment Huyton	25,000	25,000				
BLD077 FS Refurbishment Upton	25,000	25,000				
BLD084 FS Refurbishment Croxteth	300,000		150,000	0	0	150,000
BLD085 FS Refurbishment Speke/Garston	300,000	0	50,000	250,000	0	0
BLD086 FS Refurbishment Old Swan	300,000	0	50,000	0	250,000	0
BLD087 FS Refurbishment City Centre	150,000	0	150,000	0	0	0
BLD088 FS Refurbishment Kensington	40,000	0	40,000	0	0	0
BLD089 FS Refurbishment Toxteth/Hub - Fire Station Element	100,000					100,000
BLD089 FS Refurbishment Toxteth/Hub - Hub Element	100,000					100,000
BLD090 FS Refurbishment Wallasey	25,000	0	25,000	0	0	0
BLD093 Refurbishment MF1	150,000	0	0	0	0	150,000
BLD016 Community Station Investment	136,500	36,500	25,000	25,000	25,000	25,000
TDA001 Fire house refurbishment	30,000	0	30,000			
BLD091 Refurbishment TDA	1,100,000	100,000	0	1,000,000		
	4,256,500	411,500	1,345,000	1,650,000	300,000	550,000
Station Mergers						
BLD080 Prescott FS New Build (CFO/095/14)	5,350,000	1,000,000	4,350,000			
BLD082 Saughall Massie FS New Build (CFO/058/15)	4,200,000	200,000	3,000,000	1,000,000		
BLD083 St Helens FS New Build (CFO/059/15)	5,250,000		4,250,000	1,000,000		
	14,800,000	1,200,000	11,600,000	2,000,000	0	0
SHQ Main Building						
BLD068 SHQ Joint Control Room	395,000	395,000				
BLD081 SHQ Stage C Works	727,600	727,600				
	1,122,600	1,122,600	0	0	0	0
Other						
BLD072 SHQ Tower	14,500	14,500				
BLD073 SHQ Museum	191,000	0	191,000			
	205,500	14,500	191,000	0	0	0
LLAR Accommodation Works						
BLD036 LLAR Accommodation Formby	310,000	0	310,000			
BLD075 LLAR Accommodation Newton-le-Willows	310,000	0	310,000			
	620,000	0	620,000	0	0	0
General Station Upgrade Works						
BLD001 Roofs & Canopy Replacements	200,000	40,000	40,000	40,000	40,000	40,000
BLD004 Concrete Yard Repairs	100,000	20,000	20,000	20,000	20,000	20,000
BLD005 Tower Improvements	58,000	10,000	18,000	10,000	10,000	10,000
BLD013 Non Slip Coating to Appliance Room Floors	170,000	40,000	40,000	30,000	30,000	30,000
BLD014 Boiler Replacements	75,000	15,000	15,000	15,000	15,000	15,000
BLD020 Electrical Testing	170,000	70,000	30,000	30,000	20,000	20,000
BLD031 Diesel Tanks Slip	150,000	20,000	130,000			
BLD033 Sanitary Accommodation Refurbishment	179,000	79,000	30,000	30,000	20,000	20,000
BLD044 Asbestos Surveys	95,000	25,000	25,000	25,000	10,000	10,000
BLD060 DDA Compliance	290,000	100,000	100,000	50,000	20,000	20,000
	1,487,000	419,000	448,000	250,000	185,000	185,000
Other Works						
BLD007 L.E.V. System in Appliance Rooms	21,100	1,100	5,000	5,000	5,000	5,000
BLD018 Conference Facilities SHQ	35,000	10,000	10,000	5,000	5,000	5,000
BLD026 Corporate Signage	25,000	5,000	5,000	5,000	5,000	5,000
BLD032 Power Strategy	50,000		20,000	10,000	10,000	10,000
BLD034 Office Accommodation	97,000	27,000	25,000	15,000	15,000	15,000
BLD058 HVAC - Heating, Ventilation & Air Con	140,000	30,000	30,000	30,000	25,000	25,000
BLD061 Lightening Conductors & Surge Protection	50,000	10,000	10,000	10,000	10,000	10,000
BLD062 Emergency Lighting	25,000	5,000	5,000	5,000	5,000	5,000
BLD067 Gym Equipment Replacement	160,000	40,000	40,000	40,000	20,000	20,000
CON001 Energy Conservation Non-Salix	158,500	58,500	25,000	25,000	25,000	25,000
CON002 Energy Conservation Salix	75,000	75,000				
EQU002 Replacement programme for Fridge Freezers	50,000	10,000	10,000	10,000	10,000	10,000
EQU003 Furniture Replacement Programme	52,500	10,500	10,500	10,500	10,500	10,500
	939,100	282,100	195,500	170,500	145,500	145,500
	23,430,700	3,449,700	14,399,500	4,070,500	630,500	880,500
Original Budget	10,946,500	9,366,000	455,500	352,000	396,500	376,500
Current Programme	23,430,700	3,449,700	14,399,500	4,070,500	630,500	880,500
Changes	12,484,200	(5,916,300)	13,944,000	3,718,500	234,000	504,000
Q1 Movements/Adjustments	6,386,900	2,286,900	4,100,000	0	0	0
Q2 Movements/Adjustments	2,223,100	(26,900)	2,250,000	0	0	0
Q3 Movements/Adjustments	3,874,200	(8,176,300)	8,594,000	2,718,500	234,000	504,000
	12,484,200	(5,916,300)	14,944,000	2,718,500	234,000	504,000

Building / Land - Approved Budget 2015/16 to 2019/20

Type of Capital Expenditure	Total Cost £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<u>Q3 Movements/Adjustments</u>						
<u>Capital Investment Reserve</u>						
BLD083 St Helens FS New Build (CFO/059/15)	5,250,000		5,250,000			
<u>Slippage</u>						
BLD080 Prescot FS New Build (CFO/095/14)	0	(2,100,000)	2,100,000			
BLD073 SHQ Museum	0	(191,000)	191,000			
BLD036 LLAR Accomodation Formby	0	(310,000)	310,000	0	0	0
BLD075 LLAR Accomodation Newton-le-Willows	0	(310,000)	310,000	0	0	0
BLD031 Diesel Tanks	0	(130,000)	130,000	0	0	0
BLD082 Saughall Massie FS New Build (CFO/058/15)	0	100,000	(1,100,000)	1,000,000		
TDA001 Fire house refurbishment	0	(30,000)	30,000	0	0	0
	0	(2,971,000)	1,971,000	1,000,000	0	0
<u>Qtr3 Review of Programme scheme requirements as per Asset Plan</u>						
<u>Major Site Refurbishments</u>						
BLD039 FS Refurbishment Heswall	200,000	(150,000)	350,000	0		
BLD041 FS Refurbishment Aintree	15,000	15,000	0	0		
BLD042 St Helens Conversion	(61,000)	(61,000)	0	0	0	0
BLD055 FS Refurbishment Bromborough	347,000	(3,000)	0	350,000		
BLD063 FS Refurbishment Kirkby	375,000	25,000	350,000	0		
BLD070 Workshop Enhancement	(120,000)	(220,000)	100,000	0	0	0
BLD071 Station Refresh	(38,000)	(138,000)	25,000	25,000	25,000	25,000
BLD076 FS Refurbishment Huyton	25,000	25,000	0	0		
BLD077 FS Refurbishment Upton	25,000	25,000	0	0		
BLD079 Station Refurbishments	(4,085,000)	(4,085,000)	0	0	0	0
BLD084 FS Refurbishment Croxeth	300,000		150,000	0	0	150,000
BLD085 FS Refurbishment Speke/Garston	300,000	0	50,000	250,000	0	0
BLD086 FS Refurbishment Old Swan	300,000	0	50,000	0	250,000	0
BLD087 FS Refurbishment City Centre	150,000	0	150,000	0	0	0
BLD088 FS Refurbishment Kensington	40,000	0	40,000	0	0	0
BLD089 FS Refurbishment Toxteth/Hub - Fire Station Element	100,000					100,000
BLD089 FS Refurbishment Toxteth/Hub - Hub Element	100,000					100,000
BLD090 FS Refurbishment Wallasey	25,000	0	25,000	0	0	0
BLD091 Refurbishment TDA	1,100,000	100,000	0	1,000,000	0	0
BLD093 Refurbishment MF1	150,000	0	0	0	0	150,000
BLD016 Community Station Investment	(31,000)	0	(11,000)	0	(20,000)	0
	(783,000)	(4,467,000)	1,279,000	1,625,000	255,000	525,000
<u>General Station Upgrade Works</u>						
BLD001 Roofs & Canopy Replacements	(59,000)	(49,000)	(10,000)	0	0	0
BLD004 Concrete Yard Repairs	(9,000)	(9,000)	0	0	0	0
BLD013 Non Slip Coating to Appliance Room Floors	(94,500)	(58,000)	(6,500)	(10,000)	(10,000)	(10,000)
BLD014 Boiler Replacements	500	(19,500)	15,000	15,000	(5,000)	(5,000)
BLD020 Electrical Testing	(81,000)	(73,000)	(8,000)	0	0	0
BLD033 Sanitary Accomodation Refurbishment	(20,000)	0	0	0	(10,000)	(10,000)
BLD044 Asbestos Surveys	(60,000)	(35,000)	(25,000)	0	0	0
BLD060 DDA Compliance	(77,300)	(177,300)	70,000	30,000	0	0
	(400,300)	(420,800)	35,500	35,000	(25,000)	(25,000)
<u>Other Works</u>						
BLD007 L.E.V. System in Appliance Rooms	20,000	0	5,000	5,000	5,000	5,000
BLD018 Conference Facilities SHQ	(35,500)	(35,500)	0	0	0	0
BLD045 City Centre Community Facility	(79,500)	(79,500)	0	0	0	0
BLD058 HVAC - Heating, Ventilation & Air Con	(12,000)	(62,000)	30,000	30,000	(5,000)	(5,000)
BLD061 Lightening Conductors & Surge Protection	(5,000)	(45,000)	10,000	10,000	10,000	10,000
BLD062 Emergency Lighting	(1,000)	(21,000)	5,000	5,000	5,000	5,000
BLD067 Gym Equipment Replacement	(21,000)	(41,000)	15,000	15,000	(5,000)	(5,000)
EQU002 Replacement programme for Fridge Freezers	(38,500)	(13,500)	(6,500)	(6,500)	(6,000)	(6,000)
EQU003 Furniture Replacement Programme	(20,000)	(20,000)	0	0	0	0
	(192,500)	(317,500)	58,500	58,500	4,000	4,000
Asset Mgt Pain change total	(1,375,800)	(5,205,300)	1,373,000	1,718,500	234,000	504,000
Total Qtr 3 Adjustments	3,874,200	(8,176,300)	8,594,000	2,718,500	234,000	504,000

Fire Safety - Approved Budget 2015/16 to 2019/20

Type of Capital Expenditure	Total Cost £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
FIR002 Smoke Alarms (100,000 HFRA target)	1,500,000	300,000	300,000	300,000	300,000
FIR005 Installation costs (HFRA)	2,250,000	450,000	450,000	450,000	450,000
FIR006 Deaf Alarms (HFRA)	125,000	25,000	25,000	25,000	25,000
FIR007 Replacement Batteries (12,000)	2,000	2,000			
FIR009 Fire Risk Management in Residential Blocks (CFO/135/13)	200,000		200,000		
	4,077,000	777,000	975,000	775,000	775,000
Original Budget	3,877,000	777,000	775,000	775,000	775,000
Current Programme	4,077,000	777,000	975,000	775,000	775,000
Changes	200,000		200,000		
<u>Q1 Movements/Adjustments</u>	200,000	200,000			
<u>Q3 Movements/Adjustments</u>		(200,000)	200,000		
<u>Slippage</u>					
FIR009 Fire Risk Management in Residential Blocks		(200,000)	200,000		
CUMMULATIVE MOVEMENTS	200,000		200,000		

2019/20
£
300,000
450,000
25,000
775,000

775,000
775,000

ICT - Approved Budget 2015/16 to 2019/20

Type of Capital Expenditure	Total Cost £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
IT002 ICT Software						
Software Licences	10,000	2,000	2,000	2,000	2,000	2,000
New Visualistaion Infrastructure	75,000				75,000	
3 Year Licences Antivirus & Filtering	155,000			155,000		
Microsoft EA Agreement (Servers & Security)	300,000	60,000	60,000	60,000	60,000	60,000
Microsoft EA Agreement (Windows Desktop)	65,000	65,000				
Microsoft EA Agreement (Office Desktop)	200,000				200,000	
Microsoft SQL Upgrade	50,000	50,000				
	855,000	177,000	62,000	217,000	337,000	62,000
IT003 ICT Hardware						
PC, monitor and laptop replacement (target 20%)	382,900	72,900	80,000	80,000	80,000	70,000
PC, monitor and laptop growth	25,000	5,000	5,000	5,000	5,000	5,000
Periherals replacement (target 20%)	57,900	33,900	6,000	6,000	6,000	6,000
Tablets (Ipads)	60,000				30,000	30,000
Appliance Toughbook Replacement	110,000	110,000				
LFS Laptops	40,000		40,000			
IP TV Asset Refresh	50,000					50,000
	725,800	221,800	131,000	91,000	121,000	161,000
IT005 ICT Servers						
Server/storage replacement (target 20%)	325,000	65,000	65,000	65,000	65,000	65,000
Server/storage growth	85,000	15,000	15,000	15,000	15,000	25,000
New SAN Solution	100,000		100,000			
	510,000	80,000	180,000	80,000	80,000	90,000
IT018 ICT Network						
Local Area Network replacement (discrete)	20,000	4,000	4,000	4,000	4,000	4,000
Network Switches/Routers replacement	351,000	81,000	60,000	100,000	110,000	
Network Switches/Router growth	25,000	5,000	5,000	5,000	5,000	5,000
Network Switches/Router - Additional for JCC/TDA Resilience	10,000					10,000
Vesty Road Network Link Refresh	40,000					40,000
IP Telephony	150,000	50,000	100,000			
Wireless Network	40,000		40,000			
	636,000	140,000	209,000	109,000	119,000	59,000
IT026 ICT Operational Equipment						
Pagers/Alerters	28,000		7,000	7,000	7,000	7,000
Station End Kit	20,000		5,000	5,000	5,000	5,000
Incident Ground Management System	50,000		50,000			
	98,000		62,000	12,000	12,000	12,000
SHQ/JCC Major Refurbishment						
IT051 JCC Airwave Solution	99,000	99,000				
IT053 JCC Backup MACC/Secondary Control Resilience	57,000	57,000				
	156,000	156,000				
Other IT Schemes						
IT027 ICT Security - Remote Access Security FOBS	10,000	2,000	2,000	2,000	2,000	2,000
IT028 System Development (Portal)	201,000	108,000	18,000	25,000	25,000	25,000
IT030 ICT Projects/Upgrades	20,000		5,000	5,000	5,000	5,000
IT040 Integrated Planning & Performance M.S.	14,000		14,000			
IT046 TRM System	32,500	32,500				
IT049 Wireless Rollout	18,300	18,300				
IT050 Community Protection IMS System	30,000	30,000				
IT055 C.3.I. C.&C Communication & Information System	68,000	8,000	15,000	15,000	15,000	15,000
IT056 P.F.I. Door Access System	18,000	18,000				
IT057 Fleet Management System	12,000	12,000				
FIN001 FMIS/Eproc/Payroll/HR Replacement	108,500	108,500				
	532,300	337,300	54,000	47,000	47,000	47,000
	3,513,100	1,112,100	698,000	556,000	716,000	431,000

Original Budget	3,071,000	737,000	531,000	556,000	816,000	431,000
Current Programme	3,513,100	1,112,100	698,000	556,000	716,000	431,000
Changes	442,100	375,100	167,000		(100,000)	

Q1 Movements/Adjustments	435,500	435,500				
Q2 Movements/Adjustments	26,600	26,600				
Q3 Movements/Adjustments	(20,000)	(87,000)	167,000		(100,000)	
	442,100	375,100	167,000		(100,000)	

Q3 Movements/Adjustments						
Slippage						
IT028 System Development (Portal)		7,000	(7,000)			
IT005 ICT Servers - New SAN Solution			100,000		(100,000)	
IT018 I.C.T. Network		(60,000)	60,000			
IT040 Integrated Planning & Performance M.S.		(14,000)	14,000			
Qtr3 Review of Programme scheme requirements						
IT039 Estates Management System - No Longer Required	(20,000)	(20,000)				

Q3 Movements/Adjustments	(20,000)	(87,000)	167,000		(100,000)	
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Operational Equipment - Approved Budget 2015/16 to 2019/20

Type of Capital Expenditure	Total Cost £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
OPS003 Hydraulic Rescue Equipment						
Hydraulic Rescue Equipment - Replacement Programme	407,000	252,000		75,000		80,000
Pneumatic Rescue Equipment - Air Bags	9,000	9,000				
	416,000	261,000		75,000		80,000
OPS005 Resuscitation Equipment						
Resuscitation Rescue Equipment	50,000	20,000				30,000
Defibrillator Batteries	12,000				12,000	
Appliance Resuscitation Equipment & Cylinders	30,000					30,000
	92,000	20,000			12,000	60,000
OPS024 BA Equipment/Communications						
BA Cylinder Replacement	50,000	20,000	30,000			
BA Sets (back pack/face mask/tubes/equip) Replacement	35,000	35,000				
Replacement of hand held communication radios	132,000	32,000	100,000			
BA Telemetry Breathing Units	45,000			45,000		
Replacement of hand held communication radios	15,000			15,000		
BA Test Rig	12,000				12,000	
Oxygen Booster Pumps	12,000				12,000	
ESAS, Badoliers & Air Line Reducers	45,000				45,000	
	346,000	87,000	130,000	60,000	69,000	
OPS049 Bulk Foam Equipment						
Bulk Foam Attack Equipment	73,000		48,000	25,000		
Bulk Foam Stock	70,000				70,000	
	143,000		48,000	25,000	70,000	
Other						
OPS001 Gas Tight Suits Other PPE	181,800	31,800		150,000		
OPS009 POD Equipment (Demountable Unit Refurb)	119,000	44,000	75,000			
OPS011 Thermal imaging cameras	176,500	11,500				165,000
OPS022 Improvements to Fleet	121,500	11,500	20,000	30,000	30,000	30,000
OPS023 Water Rescue Equipment	211,500	21,500	90,000	50,000	50,000	
OPS026 Rope Replacement	65,000	30,000				35,000
OPS027 Light prtable Pumps	20,000		20,000			
OPS031 CCTV Equipment	48,000	48,000				
OPS034 Operational Ladders	58,000		16,000	13,000	16,000	13,000
OPS036 Radiation Detection Equipment	45,000		45,000			
OPS038 Water Delivery System	52,000		52,000			
OPS039 Water Delivery Hoses	44,000	24,000			10,000	10,000
OPS052 DEFRA FRNE	18,000	18,000				
OPS054 Electrical Equipment	76,000	41,000			30,000	5,000
	1,236,300	281,300	318,000	243,000	136,000	258,000
Hydrants						
HYD001 Hydrants (New Installations)	92,500	18,500	18,500	18,500	18,500	18,500
HYD002 Hydrants (Replacements)	92,500	18,500	18,500	18,500	18,500	18,500
	185,000	37,000	37,000	37,000	37,000	37,000
	2,418,300	686,300	533,000	440,000	324,000	435,000

Original Budget	4,255,300	225,000	168,000	525,000	484,000	435,000
Current Programme	2,999,600	686,300	533,000	440,000	324,000	435,000
Changes	581,300	461,300	365,000	(85,000)	(160,000)	

Q1 Movements/Adjustments	573,000	658,000		(85,000)		
Q3 Movements/Adjustments	8,300	(196,700)	365,000		(160,000)	
	581,300	461,300	365,000	(85,000)	(160,000)	

Q3 Movements/Adjustments

RCCO

OPS001 Gas Tight Suits Other PPE - MTFA Grant (DCLG) 8,300 8,300

Virements

OPS023 to OPS022 (1,500) (1,500)

OPS022 FROM OPS023 1,500 1,500

Slippage

OPS003 Hydraulic Rescue Equipment 160,000 (160,000)

OPS024 B. A. Equip/Comms (130,000) 130,000

OPS049 Bulk Foam Attack Equipment (48,000) 48,000

OPS009 Pod Equipment (75,000) 75,000

OPS023 Water Rescue Equipment (40,000) 40,000

OPS027 Light Portable Pumps (20,000) 20,000

OPS038 Water Delivery System (52,000) 52,000

Q3 Movements/Adjustments	8,300	(196,700)	365,000		(160,000)	
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Vehicles - Approved Budget 2015/16 to 2019/20

Type of Capital Expenditure	Price Per Unit	Total		2015/16		2016/17		2017/18		2018/19		2019/20	
		Units	Cost £	Units	£	Units	£	Units	£	Units	£	Units	£
<u>VEH002 Ancillary Vehicles</u>													
<u>Cars</u>													
Car 1 (5 door - Fiesta/Corsa)	9,500	21	199,500			21	199,500						
Car 2 (5 door - Fiesta/Corsa)	12,000	3	36,000									3	36,000
Car 3 (5 door - Hyundai i30)	9,500	20	190,000	20	190,000								
Officer Response Car 1	22,000	2	44,000			2	44,000						
Officer Response Car 2	26,000	2	52,000					2	52,000				
Officer Response Car 3	20,000	2	40,000							2	40,000		
7 Seater Galaxy	23,000	2	46,000							2	46,000		
Car - Automatc	25,000	1	25,000					1	25,000				
4x4 (Isuzu/Hilux)	27,000	4	108,000					2	54,000			2	54,000
4x4 SMA/IIT	23,000	2	46,000					2	46,000				
4x4 (Climbing Wall Vehicle)	22,000	1	22,000							1	22,000		
<u>Vans</u>													
Small Vans (Fiesta/Corsa)	9,510	5	47,550			5	47,550						
Panel Van Renault Master 1	19,400	6	116,400	6	116,400								
Panel Van Renault Master 2	18,650	9	167,850	4	74,600	5	93,250						
Panel Van 2 Jumbo Van	25,000	2	50,000					2	50,000				
Ford Connect Van	10,500	8	84,000	2	21,000	4	42,000	2	21,000				
Dog Van Mercedes Vito 1	43,000												
<u>Other</u>													
PCVs (Ford Transit 17 Seater)	23,200	4	92,800	1	23,200	3	69,600						
PCVs (Ford Transit 17 Seater)	24,000	3	72,000									3	72,000
			1,439,100		425,200		495,900		248,000		108,000		162,000
<u>VEH004 Special Vehicles</u>													
<u>CPLs</u>													
Aerial Appliance 1	650,000	1	650,000			1	650,000						
<u>Other</u>													
Prime Movers 1	98,000	1	98,000			1	98,000						
Prime Movers 2 CAP1411 C £280,680 (2)	140,340	2	280,680	2	280,680								
IMU Slip £600,000 (1) 15/16-16/17	600,000	1	600,000			1	600,000						
BA Support Unit (POD) - Likely to slip at year end	125,000	1	125,000	1	75,000		50,000						
Water Rescue Unit	45,000	1	45,000			1	45,000						
Teletruck Handler CAP1363. A: £43,912	44,000	1	44,000	1	44,000								
			1,842,680		399,680		1,443,000						
<u>Other Vehicles</u>													
VEH001 Fire Appliances		3	203,000	3	203,000								
Fire Appliances - New £245,000 to £260,000		14	3,500,000			3	730,000	4	980,000	3	750,000	4	1,040,000
VEH005 Vehicles Water Strategy (2 Boat Engines)			29,000		12,600		16,400						
			3,732,000		215,600		746,400		980,000		750,000		1,040,000
<u>WOR001 Workshop Equipment</u>													
<u>Equipment</u>													
Replace steam clean lift			23,000		23,000								
Workshop Equipment Cable free Somers vehicle Lift.	19,000	1	40,000		40,000								
Two Post Light Vehicle Lift.	19,000	1	19,000									1	19,000
	6,000	1	6,000									1	6,000
			88,000		63,000								25,000
			7,101,780		1,103,480		2,685,300		1,228,000		858,000		1,227,000

Original Budget
Current Programme

7,536,100	2,675,100	1,526,000	1,228,000	858,000	1,249,000
7,101,780	1,103,480	2,685,300	1,228,000	858,000	1,227,000

Vehicles - Approved Budget 2015/16 to 2019/20

Type of Capital Expenditure	Price Per Unit	Total		2015/16		2016/17		2017/18		2018/19		2019/20	
		Units	Cost £	Units	£	Units	£	Units	£	Units	£	Units	£
Changes			(434,320)		(1,571,620)		1,159,300						(22,000)
<u>Q1 Movements/Adjustments</u>			525,000		525,000								
<u>Q2 Movements/Adjustments</u>			(13,320)		(13,320)								
<u>Q3 Movements/Adjustments</u>			(946,000)		(2,083,300)		1,159,300						(22,000)
			(434,320)		(1,571,620)		1,159,300						(22,000)
<u>Q3 Movements/Adjustments</u>													
Slippage to 2015/16													
VEH002 Ancillary Vehicles													
Car 1 (5 door - Fiesta/Corsa)	9,500			(5)	(47,500)	5	47,500						
Small Vans (Fiesta/Corsa)	9,510			(5)	(47,550)	5	47,550						
Panel Van Renault Master 2	18,650			(5)	(93,250)	5	93,250						
Ford Connect Van	10,500			(4)	(42,000)	4	42,000						
PCVs (Ford Transit 17 Seater)	23,200			(3)	(69,600)	3	69,600						
VEH004 Special Vehicles													
Prime Movers 1	98,000			(1)	(98,000)	1	98,000						
IMU	600,000			(1)	(600,000)	1	600,000						
Water Rescue Unit	45,000			(1)	(45,000)	1	45,000						
VEH005 Vehicle Water Strategy					(16,400)		16,400						
<u>Qtr3 Review of Programme scheme requirements</u>													
VEH001 Fire Appliances - No Longer Needed	245,000	(4)	(980,000)	(4)	(980,000)								
VEH004 Special Vehicles													
Aerial Appliance Anticipated Price Increase			50,000				50,000						
BA Support Unit (POD)Anticipated Price Increase			50,000				50,000						
VEH006 Motor Cycle Response Quad Bikes													
AFA/RTC Bikes	6,000	(2)	(12,000)	(2)	(12,000)								
Firefighting bikes	16,000	(2)	(32,000)	(2)	(32,000)								
Motor Cycle Response Quad Bikes	11,000	(2)	(22,000)									(2)	(22,000)
Q3 Movements/Adjustments			(946,000)		(2,083,300)		1,159,300						(22,000)

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List of write-offs - Q3 2015/16

Invoice Date	Provision Bad Debt List	Customer Name	Line Description	Write Off Reason	Amount To Be Writ	
					Net Value	VAT
07/11/13	YES	NEWTON LE WILLOWS CRICKET CLUB	SPECIAL SERVICE CALL	LITIGATION ADVICE	340.00	68.00
13/02/12	YES	SEASCOPE MARINE SERVICES	TRAINING	LITIGATION ADVICE	3,000.00	600.00
					3,340.00	668.00

Item Off
Gross Value
408.00
3,600.00
4,008.00

MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	AUTHORITY BUDGET MEETING		
DATE:	25 FEBRUARY 2016	REPORT NO:	CFO/008/16
PRESENTING OFFICER	TREASURER		
RESPONSIBLE OFFICER:	IAN CUMMINS	REPORT AUTHOR:	IAN CUMMINS
OFFICERS CONSULTED:			
TITLE OF REPORT:	MERSEYSIDE FIRE AND RESCUE AUTHORITY BUDGET AND FINANCIAL PLAN 2015/2016 – 2019/2020		

APPENDICES:	APPENDIX A:	DRAFT SUMMARY REVENUE BUDGET ANALYSIS
	APPENDIX B:	PROPOSED CAPITAL PROGRAMME 2016/17 – 2020/21
	APPENDIX C	PROPOSED 2016/17 – 2019/20 FOUR YEAR MTFP

Purpose of Report

1. To present information to allow Members to set a medium term capital and revenue financial plan that allocates resources in line with the Authority's strategic aims and ensures that the Authority delivers an efficient, value for money service. This will also allow the Authority to determine a budget for 2016/17 and a precept level in line with statutory requirements.

Recommendation

2. That Members consider the report and proposed budget and:-
 - (a) Note the 2016/17 service budgets set out in the report.
 - (b) Endorse the Treasurer's recommendation on maintaining the current level of general fund balance at £2.000m, and maintaining the reserves as outlined in Paragraph 170 to 173 of this report.
 - (c) Endorse their current plan to increase the precept by just below 2% for 2016/17, raising the Band D Council Tax from £71.47 to £72.89 and confirm the strategy for future precept rises (the plan assumes 2% in each year thereafter).
 - (d) Endorse the assumptions in developing a four year (2016/17 – 2019/20) Financial Plan outlined in the report and approve the Medium Term Financial Plan in Appendix C and the 2016/17 budget estimate of £61.507m.

- (e) Approve 2016/17 – 2019/20 £11.000m saving plan outlined in the report and summarised in Appendix C.
- (f) Accept the offer of a 4 year financial settlement as set out in the Final Local Government Finance Settlement on 9th February 2016 in principle subject to the development of a robust efficiency plan and any other required Home Office documentation.
- (g) Approve the capital strategy and investment strategy as summarised in Appendix B.
- (h) Approve the Minimum Revenue Payment (MRP) strategy for 2016/17 as outlined in Paragraph 79 of this report.
- (i) Note the prudential indicators relating to the proposed capital programme, paragraph 90 to 92 of this report.
- (j) Approve the Treasury Management Strategy outlined in Section F and agree the Treasury Management indicators set out in paragraph 97 of this report for:-
 - External Debt
 - Operational Boundary for Debt
 - Upper limits on fixed interest rate exposure
 - Upper limits on variable rate exposure
 - Limits on the maturity structure of debt
 - Limits on investments for more than 364 days
- (k) Note that the recommendations above provide an approved framework within which officers undertake the day to day capital and treasury activities.

Introduction and Background

- 3. The Authority is required to determine its budget and precept level for 2016/17 by 1st March 2016.
- 4. This report will present all the necessary financial information in a single report. This report considers:-
 - (a) Forecast Revenue Estimates
 - (b) The Proposed Capital Programme
 - (c) Savings and Growth Options
 - (d) The Treasury Management Strategy
 - (e) The Minimum Revenue Payment Policy for the Authority
- 5. Considering all the financial issues to be taken into account in a single report ensures that the Authority can:-

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

6. The following report structure will be adopted:-

Section	Focus	Paragraph
A	Executive Summary	7-30
B	Background Information	31- 50
C	Capital Programme	51-74
D	Minimum Revenue Provision Statement	75-84
E	Prudential Indicator Report	85-94
F	Treasury Management Strategy Statement	95-97
G	Revenue Forecasts 2016/17 – 2019/20	98-124
H	Options for Tackling the Financial Challenge	125-159
I	Adequacy of Reserves and Balances	160-174
J	Budget Timetable & Resolution	175-178

A) EXECUTIVE SUMMARY

7. The Authority must set a balanced budget and a precept level by 1st March 2016.
8. The budget and financial plan should allocate resources in line with the Authority's Mission and Aims:-

Our Mission:

To Achieve; Safer, Stronger Communities - Safe Effective Firefighters

Our Aims:

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

9. The Authority had planned prudently to deal with all known reductions in Government funding up to 2015/16. The **Authority had identified a potential £14.1m challenge** by 2019/20 based on possible Government Grant cuts. Any further cuts would require additional savings to be identified.
10. The Government has now announced the final settlement funding for 2016/17 and the indicative figures for 2017/18 – 2019/20. If the Authority is so minded it can accept the offer of a four year settlement subject to the production of an efficiency plan covering this period. Members indicated at their budget strategy day on 14th January 2016 that they would want to accept this offer in order to provide the certainty over future funding and therefore allow the Service time to prepare and change to meet the financial challenge. This financial plan sets out the savings required to meet the reduction in Government funding over the four year period.
11. By 2019/20 the Service is facing a cut in the Revenue Support Grant (RSG) it receives from the Government of over £7.7m or 41% compared to the 2015/16 grant. This is approximately a 50% cut in real terms once inflation is taken into account. RSG currently provides over 30% of the Authority's revenue budget funding, so this level of cut cannot be contained without a significant reduction in the current level of services.
12. After taking into the 2016/17 Government grant settlement and financial plan assumptions the Authority is facing an **£11.0m financial challenge by 2019/20**.
13. The updated four year financial plan has been prepared using the latest information and the following key assumptions:
 - The 2016/17 increase in the council tax base (£1.0m impact by 2019/20) is permanent.
 - Annual increases in council tax of (fractionally below) 2%.
 - A pay bill increase of 2% per annum. The pay bill includes all pay related costs including pension contributions and national insurance.
 - 2% per annum General Price Inflation.
 - The Government Settlement Funding Assessment figures for 2016/17 and proposed figures up to 2019/20.

- After taking into account the £1.023m increase in council tax income from the higher tax base this leaves a further £9.977m of savings to be identified.

14. The updated financial plan is attached to this report as Appendix C, but is summarised in the table below:-

2016/17 - 2019/20 MTFP				
	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000
Current Approved Plan Forecast	62,812	64,762	66,512	68,262
2016/17 Issues				
Growth required to cover 0.5% levy for national apprenticeship programme		200	200	200
Sec 31 Grant for restricted small business NNDR increase	1	1	1	1
Sec 31 Grant to cover subsidised local NNDR (NNDR1 Section C grants)	-140			
2016/17 Financial Plan Expenditure Forecast	62,673	64,963	66,713	68,463
Funding				
Government Funding - Settlement Funding Assessment				
Baseline Funding -Business Rates / Top-up	-18,428	-18,791	-19,345	-19,963
RSG (2016/17 - 2019/20)	-16,523	-13,664	-12,050	-11,000
Government Funding - Settlement Funding Assessment	-34,951	-32,455	-31,395	-30,963
Adjustment for District Local Business Rate income forecast	25	0	0	0
Council Tax (assuming +2% increase in precept p.a.)	-24,968	-25,469	-25,978	-26,500
Council Tax Base (increase) / decrease	-966	-985	-1,005	-1,023
Council Tax / Business Rates - Collection Fund (surplus)/deficit	-647			
Council Tax	-26,581	-26,454	-26,983	-27,523
Updated Income Forecast	-61,507	-58,909	-58,378	-58,486
Forecast Net Position (surplus) / deficit (after CT Base increase)	1,166	6,054	8,335	9,977

15. Section H of this report "Options for Tackling the Financial Challenge" considers what areas of the budget could deliver the funding gap to deliver a balanced 2016/17 budget and four year financial plan up to 2019/20.

Reserves and Balances

16. In light of the financial risks facing the Authority it has increased reserves in recent years. The latest financial review report CFO/007/16 identifies a 2015/16 forecast revenue underspend which will allow the Authority to increase its capital investment reserve by a further £0.650m. The current estimated reserves as at 31.03.16 are:-

- Ringfenced Reserves (not available for general spend) £1.820m
- Earmarked Reserves (created to fund future projects or as a resource to meet some potential future spend) £21.276m
- General Fund Reserve (required to cover unexpected events) £2.000m
£25.096m

17. Approximately £21.276m of earmarked reserves might be viewed as available, however £12.5m has already been committed to fund approved current and future capital investment, including the construction of new stations as part of the station merger initiative and controlling the level of borrowing to deliver the approved revenue debt servicing savings. Also £1.6m is required to cover insurance and catastrophe risks; £1.3m of the smoothing reserve is required to balance the 2016/17 – 2019/20 financial plan; and £2.2m is required to smooth out the future PFI unitary charges over the remaining contract years. This leaves £3.7m of earmarked reserve to consider. Although this would appear relatively high it reflects the level of risk associated with the current financial plan and the severity of cuts imposed on the Authority for 2016/17 and beyond. The £3.7m earmarked reserves are:

	£'m
Severance Reserve	0.4
Recruitment Reserve	1.0
Firefighter Safety	0.8
Inflation Reserve	0.5
Ill Health Cost	0.5
Equality / DDA	0.3
Other	<u>0.2</u>
	3.7

18. As previously stated this report identifies a number of potential risks in relation to the key assumptions in the medium term financial plan. If any of these assumptions vary then the forecast balanced budget position will be affected. Any material deficit might result in the Authority having difficulty in maintaining its value for money principles and in particular avoiding compulsory redundancies.
19. The Treasurer recommends the Authority hold the £3.7m identified above in reserves at the start of the financial plan. More information on reserves is set out in section (I).
20. Members should be mindful that reserves, balances and one-off savings should only be used to finance one-off expenditure. If such monies are used to fund ongoing revenue expenditure without taking action to reduce underlying expenditure, the Authority would find itself facing the same deficit in the next and future years but without reserves available to finance it. This is underlined by the Auditor's 'Golden Rule' - that "one off" revenue reserves should not be used to support 'ongoing' revenue expenditure.
21. The proposed financial plan assumes a (just below) 2% council tax increase in 2016/17 and each year thereafter.
22. The Authority may choose to use a further precept increase to bridge the gap, however current legislation requires that any increase above a threshold set by the Secretary of State must be subject to a referendum of the electorate of Merseyside. Any vote against such an increase will require a revised budget and incur the expense of re-billing all the districts within Merseyside. For 2016/17 any proposed increase at or in excess of 2% or more will require such a referendum.
23. The ready reckoners below show the impact of a potential 2% Council Tax increase:-

Council Tax Increase			
	0%	2%	Change
Band D Tax	71.47	72.89	1.42
District Precept	£m	£m	£m
LIVERPOOL	7.307	7.452	0.145
WIRRAL	6.467	6.595	0.129
ST.HELENS	3.495	3.565	0.069
SEFTON	5.775	5.890	0.115
KNOWSLEY	2.385	2.432	0.047
	25.428	25.934	0.505

24. The proposed 5 year capital programme is detailed in section C. The table below summarises the proposed £38.2m of investments which are mainly in the Authority's property, vehicle and ICT assets.

PROPOSED CAPITAL PROGRAMME for 2016/2017 - 2020/21						
Capital Expenditure	Total Cost £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Building/Land	20,611,500	14,624,500	4,070,500	630,500	905,500	380,500
Fire Safety	3,575,000	975,000	650,000	650,000	650,000	650,000
ICT	3,436,000	778,000	900,000	596,000	511,000	651,000
Operational Equipment & Hydrants	1,910,000	533,000	440,000	324,000	435,000	178,000
Vehicles	8,623,400	3,689,400	1,228,000	858,000	1,227,000	1,621,000
Total Expenditure	38,155,900	20,599,900	7,288,500	3,058,500	3,728,500	3,480,500
Financing Available	Total £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Capital Receipts	2,550,000	1,850,000	700,000	0	0	0
RCCO/Capital Reserves	7,603,000	5,743,000	690,000	390,000	390,000	390,000
Grants	6,442,000	6,442,000	0	0	0	0
Total Non Borrowing	16,595,000	14,035,000	1,390,000	390,000	390,000	390,000
Unsupported Borrowing	21,560,900	6,564,900	5,898,500	2,668,500	3,338,500	3,090,500
Total Funding	38,155,900	20,599,900	7,288,500	3,058,500	3,728,500	3,480,500

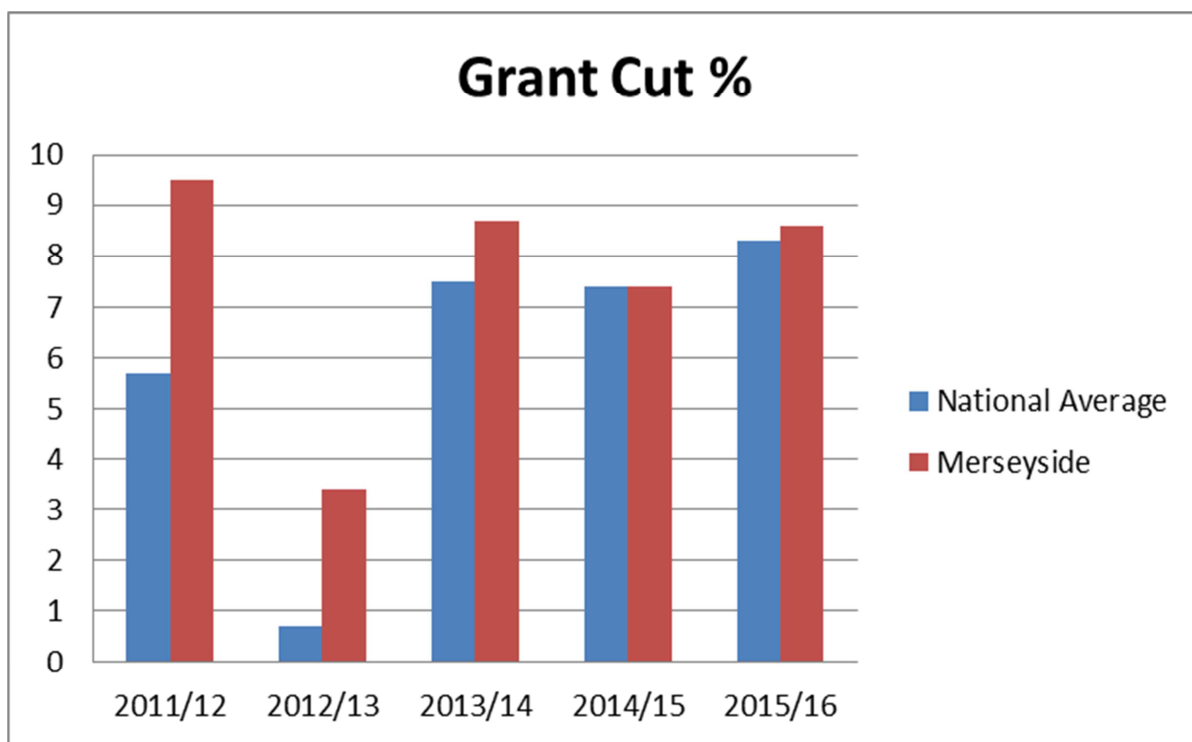
25. The proposed capital programme has a borrowing requirement of £6.565m in 2016/17 and £21.561m across the whole life of the plan. The proposed borrowing is unsupported borrowing or prudential as Members will note that the Government no longer allocates any supported borrowing to FRA's and therefore no longer builds any revenue grant funding support for new borrowing in the formula grant. This means all borrowing is prudential.
26. The Authority needs to be mindful of the revenue costs of borrowing. Current and future debt servicing costs as a consequence of the proposed capital programme have

been built into the proposed financial plan. This report provides members with a number of prudential indicators so they can ensure that this commitment is considered affordable, prudent and sustainable in light of these prudential indicators (Section E).

27. The Prudential Code requires the Authority to set a Treasury Management Strategy that includes a number of indicators and limits. It sets a framework for the Treasurer to manage investments and borrowing within.
28. The proposed strategy is set out in Section F and includes limits for the next three years on:-
 - Overall Level of External Debt
 - Operational Boundary for Debt
 - Upper limits on fixed interest rate exposure
 - Upper limits on variable rate exposure
 - Limits on the maturity structure of debt
 - Limits on investments for more than 364 days
29. MRP is the amount of money set aside in the revenue budget by the Authority each year to reduce its overall level of debt. The Authority is required under the Local Authorities (Capital Finance and Accounting, England, Amendment) Regulations 2008 to prepare a statement on its policy for MRP in respect of the forthcoming year. Regulations require the Authority to pay debt at a rate which it considers prudent.
30. The Treasurer has reviewed the MRP policy in line with the legislation and the report outlines the proposed MRP policy for 2016/17 and future years.

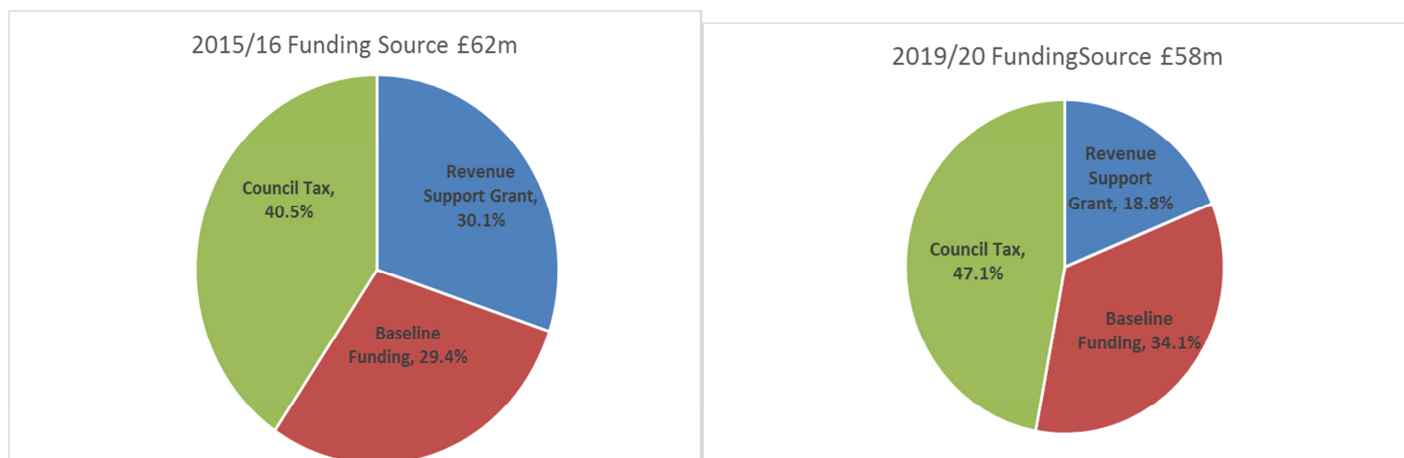
B) BACKGROUND INFORMATION

31. This section provides general financial information on the Authority's finances and financial health.
32. If any organisation wants to be successful its budget setting and medium term financial plan must allocate resources to support its key strategic aims and priorities. This is a vital consideration when organisations face periods of severe resource shortages.
33. For many years now the Authority has maintained a comprehensive medium term financial plan (MTFP) and capital programme. In 2010 the Government announced its austerity plan in an attempt to reduce national debt. A significant element of the plan was to reduce the level of government funding for local government including fire and rescue.
34. The cumulative percentage reduction in grant for Merseyside between 2011/12 and 2015/16 equates to a 35% reduction, compared to a national average grant cut of 26% over the four year period for stand-alone Fire and Rescue Authorities:



35. The Authority has already approved plans to deal with the cuts up to 2015/16.
36. The Authority now faces an **£11.0m financial challenge to be delivered by 2019/20** following the announcement by the Government of the funding for the Service for 2016/17 to 2019/20. The RSG that currently provides over 30% of the Authority's funding is being reduced in real terms by nearly 50% by 2019/20 and overall Government funding by nearly 25% in real terms over the same period.

37. The reduction in Government Funding has increased the reliance upon Council Tax as a source of funding for the Authority:-



Note: the above assumes a 2% year on year increase in the Council Tax Precept.

38. The Integrated Risk Management Plan (IRMP) is the key driver in the allocation of the Authority's resources in response to the risks facing Merseyside.
39. The Authority's IRMP states the main strategic themes that the Authority has been progressing and its plans for the future. The current IRMP supplement covers the period from 2015 to 2017. Decisions made about the potential savings options presented as part of this Budget report will form the basis of consultation with the public in the Spring of 2016. The outcomes of that consultation will inform the IRMP planning process. A new IRMP will be developed during 2016, with a draft presented to Members in October. Following a period of consultation, the final IRMP will be approved in February 2017.
40. The Authority's Mission and Aims as set out in the IRMP are repeated below. Any financial plan should aim to allocate resources to deliver the mission and aims.

Our Mission;

To Achieve; Safer Stronger Communities - Safe Effective Firefighters

Our Aims;

Excellent Operational Preparedness

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

Excellent Operational Response

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

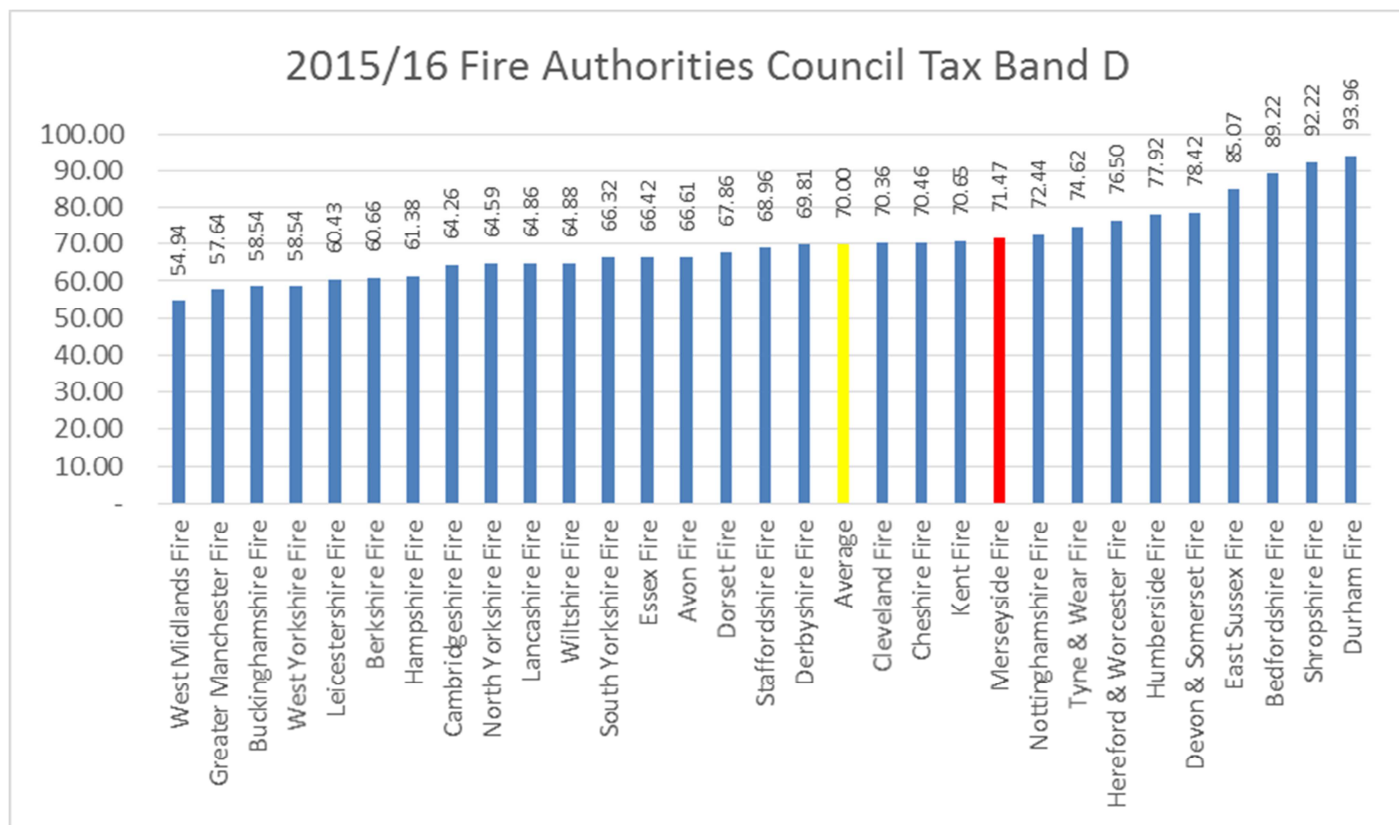
Excellent Prevention and Protection

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

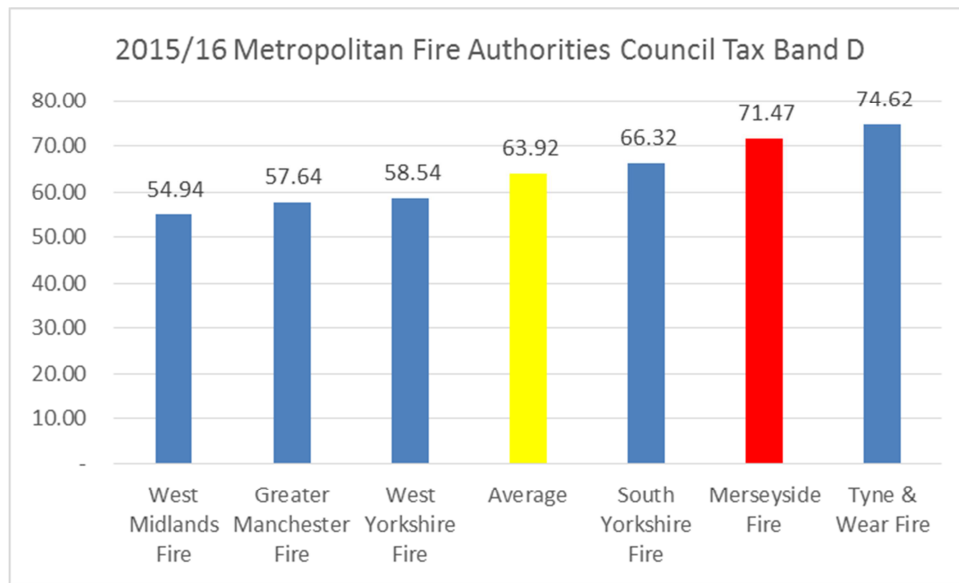
Excellent People

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

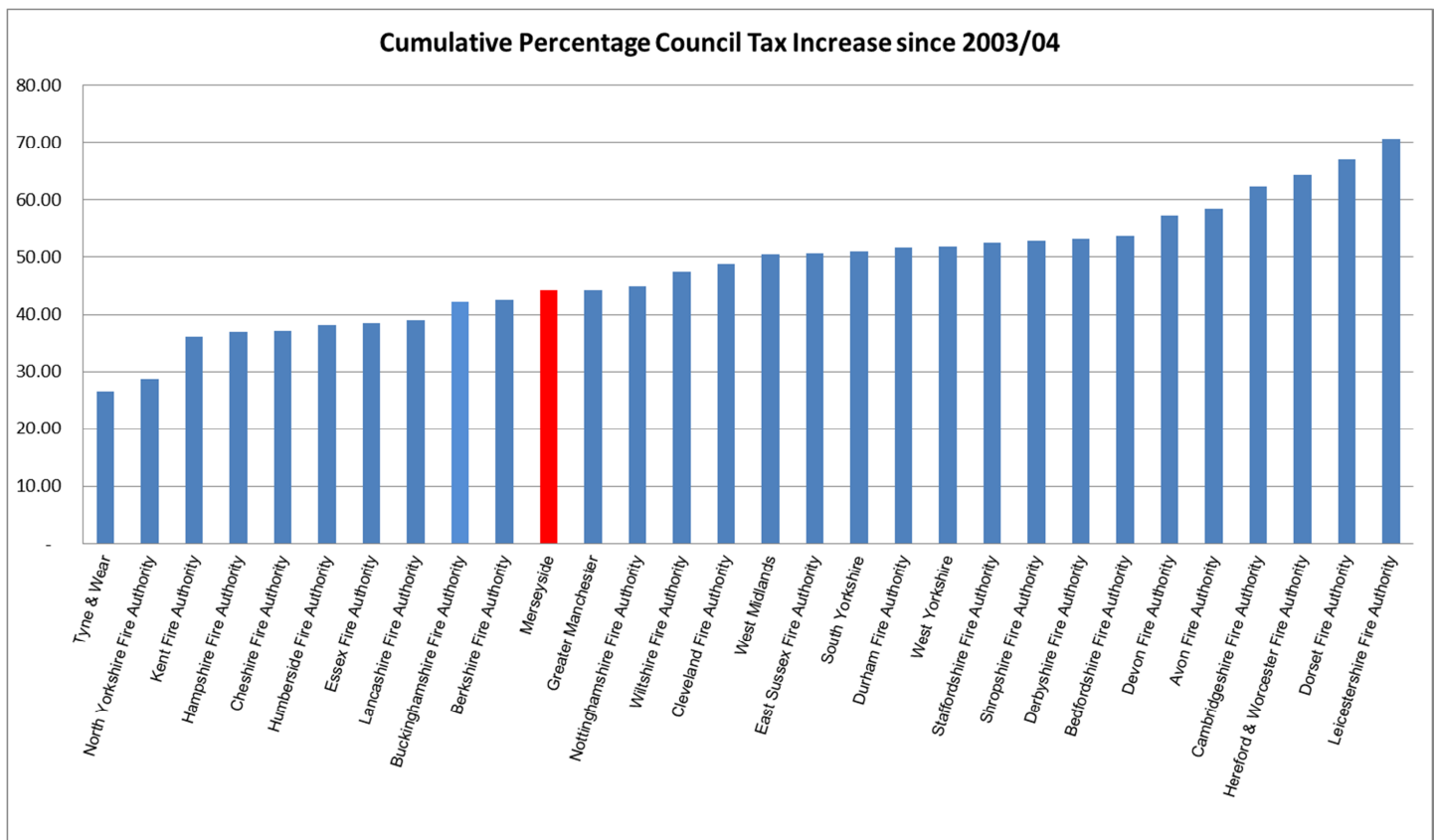
41. In recent years the Authority has adopted a financial strategy that:-
- Sought to control Council Tax increases,
 - Planned for pay awards and cost increases in line with HM Treasury inflation forecasts,
 - Sought to generate significant savings through staff reductions whilst avoiding compulsory redundancy,
 - Sought to minimise the impact of cuts on frontline services including prevention,
 - Made significant investment in IT and computing (including outsourcing),
 - Provided further investment in equality and health and safety,
 - Attempted to plan prudently over the medium term by considering all significant risks to the assumptions in the financial plan and creating specific reserves if deemed necessary,
 - Maintained a general reserve of at least £2m following assessments of risk,
 - Because of pressures on revenue budget generally avoided funding capital expenditure from revenue through leasing or RCCO,
 - Invested in the capital infrastructure of the Authority in line with the Asset Management Plan, vehicle replacement strategies and corporate objectives.
42. These strategies have over recent history allowed the Authority to reduce costs and maintain relatively low levels of Council Tax increase despite very tight grant settlements.
43. The Authority's 2015/16 (Band D) Council Tax is £71.47. This is slightly above the FRS national average (£70.00) as shown in the bar chart below:-



44. In 1996/97 Merseyside's Council Tax was more than 50% above the average of Metropolitan FRA's. Now it is only 11.8% above the average of that group:



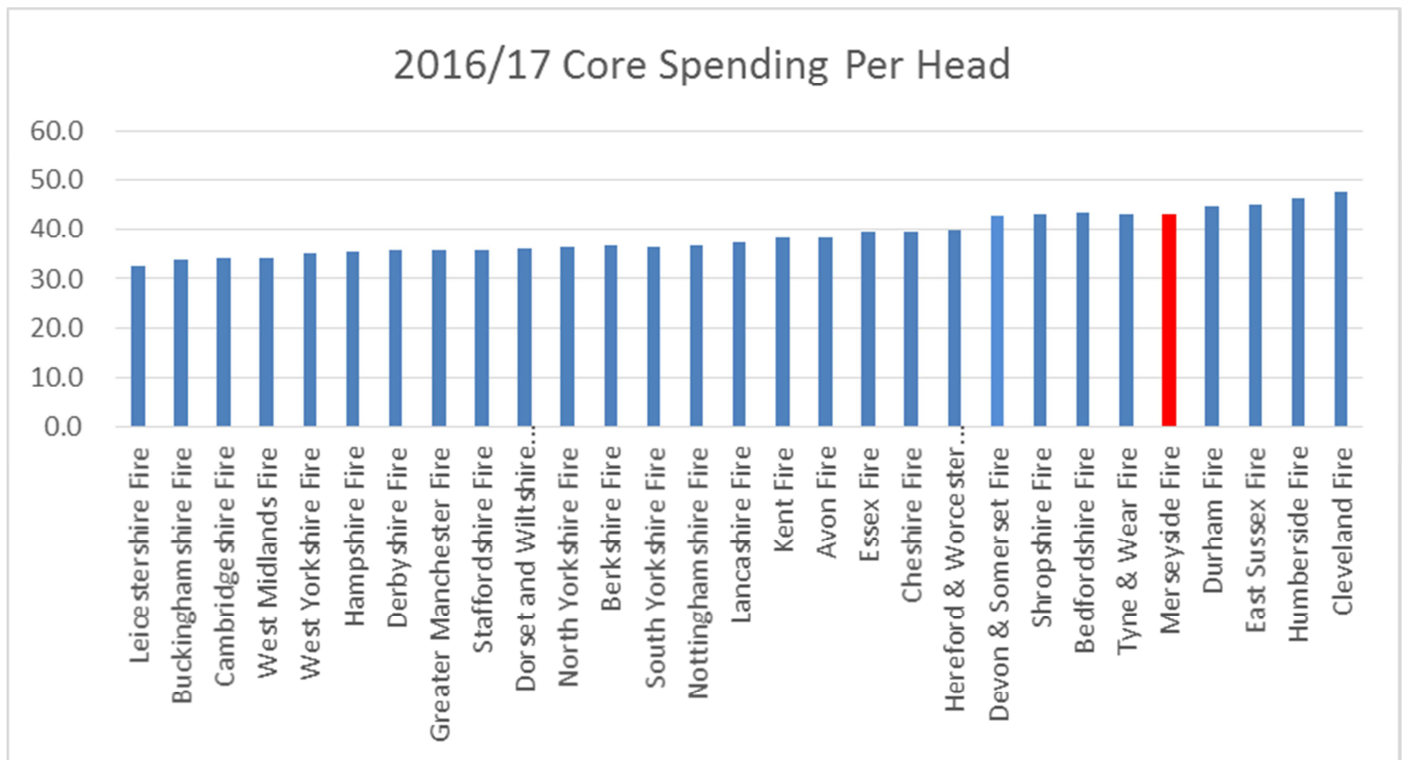
45. Over the past 13 years when compared to the other FRA's Merseyside has had one of the lowest cumulative council tax increases:



46. The Authority's control of council tax should be considered in light of the fact that across the same time period the council tax base of Merseyside has had one of the lowest increases. The tax base reflects how much income is generated by £1 of "Band

D" equivalent council tax. So if the tax base increases, income will increase, even if the council tax charge remains unchanged.

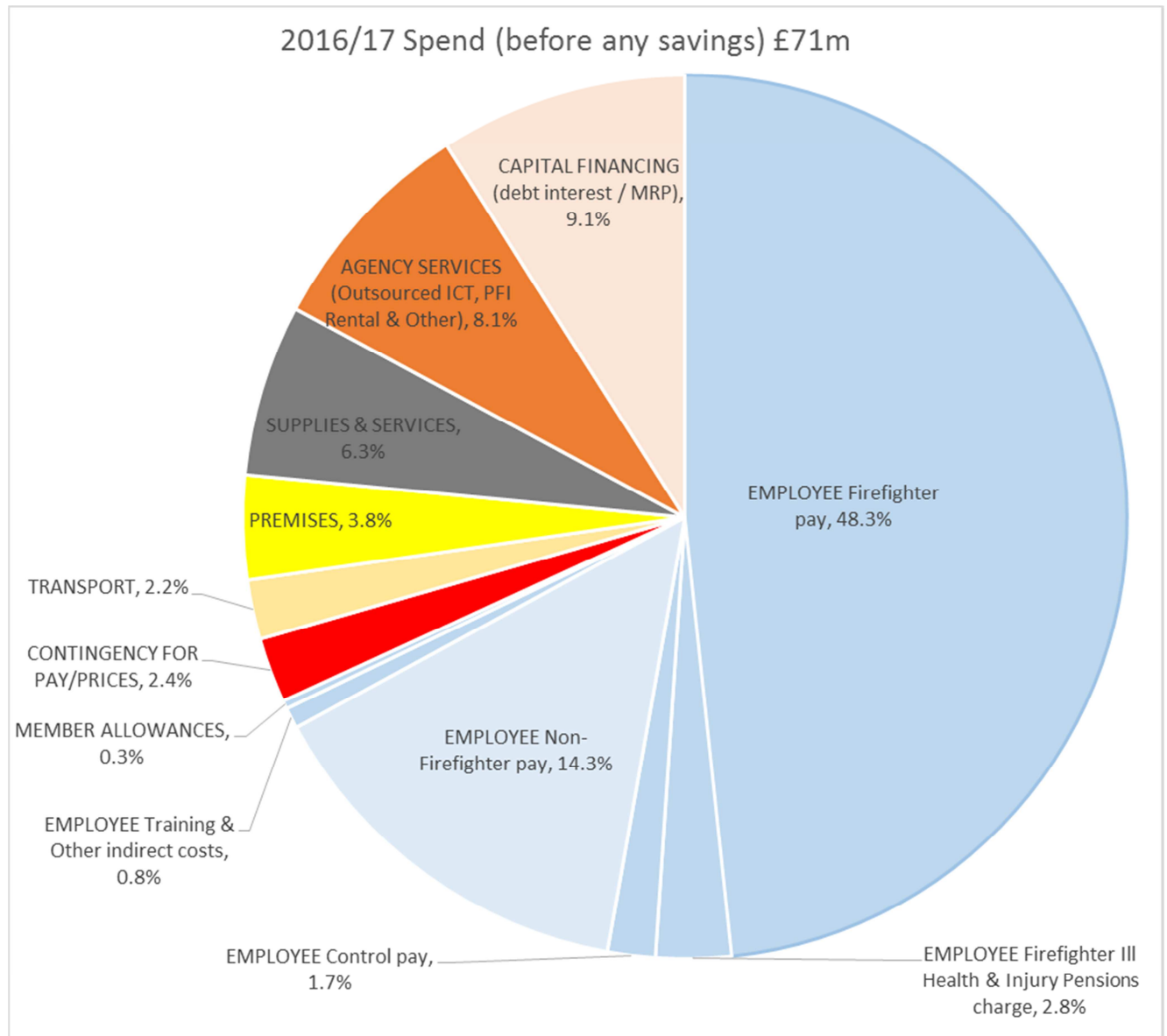
47. However, despite recent improvements it should be noted that we remain, in comparison to our peers, a relatively high spending Authority on a core spending per head basis. *(Core Spending is a Government measure of estimated overall budget which includes Government funding plus council tax income based on future precept and tax base increases)*



48. The Authority has a proven track record for meeting significant financial challenges in the past. The Authority, as part of a risk based strategy, has built up reserves in recent years to provide a short term buffer whilst the structural changes to deliver the required savings on a permanent basis are implemented. The unprecedented reductions in Government funding will require difficult decisions but the Authority has a proven track record in managing its financial affairs well as can be seen in the following indicators:-

- Authority accounts 2014/15 audited without qualification once again.
- Annual Audit Letter highlighted general satisfaction with financial corporate governance and reporting arrangements.
- IRMP recognised as innovative.
- The Authority has maintained a general revenue reserve of at least £2.0m in recent years.
- Cost centre budgeting now well established along with a culture of financial management.
- Maintained a medium term financial plan and capital programme and most importantly a consistent medium term strategy.
- Successfully delivered large-scale changes and savings.

49. Members will be aware that Merseyside Fire and Service expenditure is predominantly employee related (*approximately 70%*) as is shown in the pie chart below. (The blue sections relate to employee costs):-

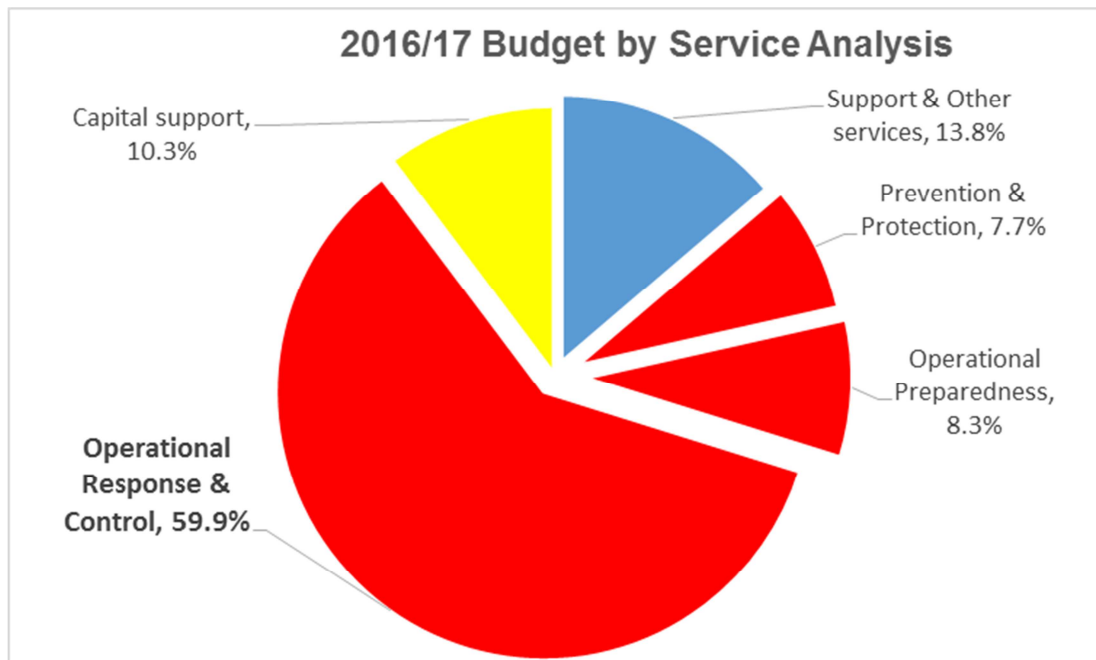


A full subjective analysis of the base budget for 2016/17 is set out in **Appendix A**

A subjective analysis is only part of the overall view on spending and in order to assist Members the same data is shown in a “thematic” view below and is based upon the service’s strategic objectives:

50. The Authority has an excellent track record of investing in line with its corporate priorities. It can be seen from the pie chart overleaf that most expenditure 59.9% goes on emergency and specialist response. In addition 8.3% goes on Operational Preparedness and 7.7% on Prevention & Protection, and therefore over 75.9% of expenditure is on the “front line” services. In addition the 10.3% on capital costs

relates mostly to previous investment in front line assets, fire stations, vehicles and equipment. The remaining 13.8% is on support services.



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

Operational Response & Control (Total £38m)

- Service delivery and emergency response through its 25 (reducing to 22) fire stations.
- Specialist capabilities such as the Search and Rescue Team and Search Dogs.
- Invested in staff safety – procured state of the art fire kit, helmets, boots, breathing apparatus and appliances.
- Invests £1.5m operating a Training and Development Academy.
- Deliver HFSC programme.
- Investing in new community fire stations.
- Marine Rescue Unit to support the airport and safety on the River Mersey.

Prevention & Protection (Total £4.9m)

- Prevention & Protection Teams; £2.0m
- Community Prevention work and youth engagement; £2.0m
- Purchase of £0.3m of smoke alarms per annum
- Fire Service Direct; £0.2m
- Employment of specialist Advocates and continuation of the Princes Trust and other programmes; £0.2m
- Invested in volunteers with the Fire Support Network; £0.2m
- Working with the private sector to deliver speedier restoration of property

Operational Preparedness (Total £5.2m)

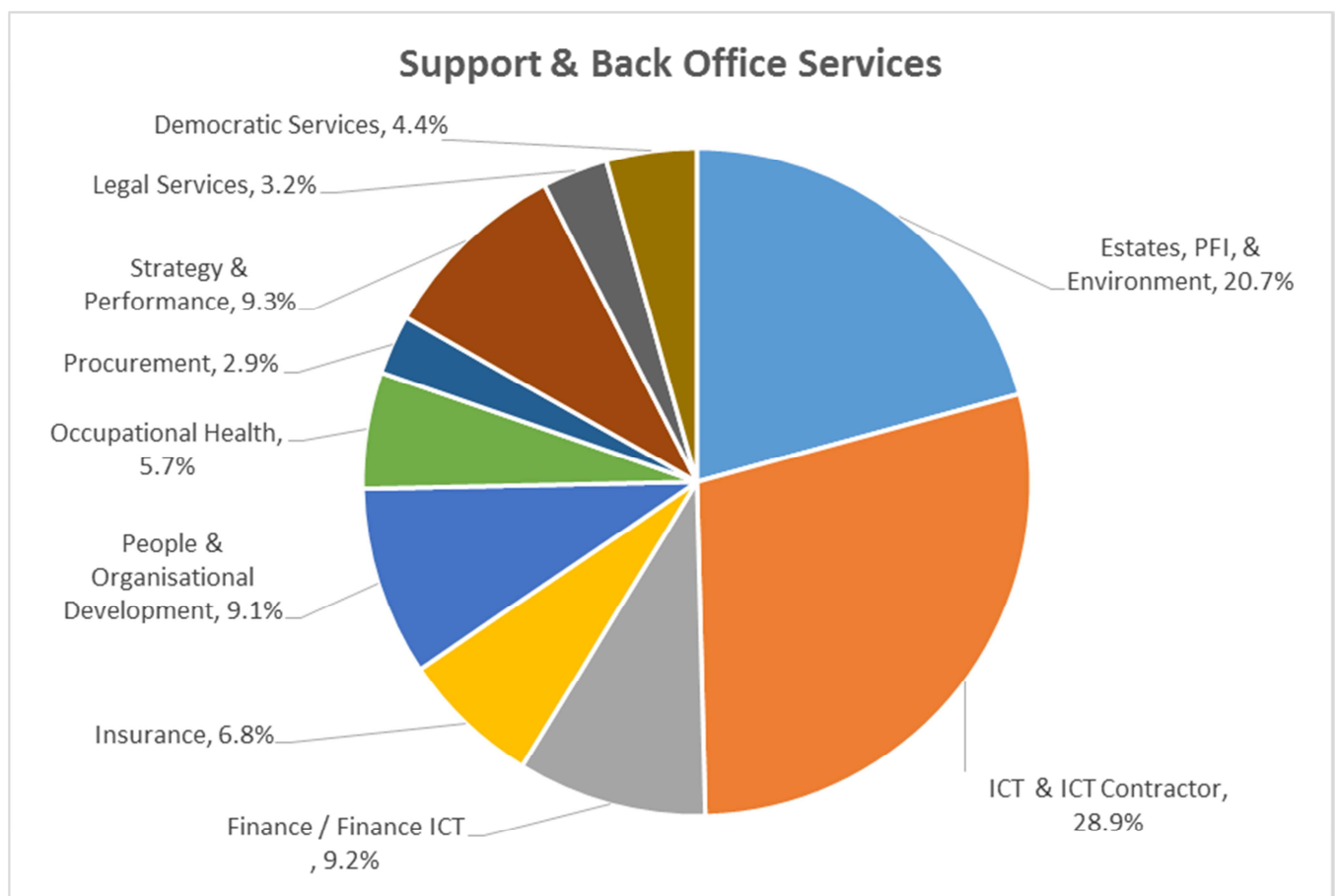
The investment of £5.2m delivers a variety of services which helps prepare for a full range of possible incidents in Merseyside and ensure Firefighter safety.

- Operational Planning and Policy

- Contingency Planning
- New Dimensions (National Resilience) to cope with major disasters and terrorist threats
- Operational Equipment Team
- Water Section
- Health and Safety Department
- Transport/Fleet Management – to keep vehicles operating effectively
- Workshops
- Standard Operating Procedure Review Team

Support Services & Other (Total £8.7m)

The investment in support services of £8.7m represents 13.8% of the budget. The pie chart below shows the breakdown of those support areas:-



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

- Estates – includes the running costs of buildings including 25 Community Fire Stations;
- ICT – includes the cost of the Mobilising Communications Centre;
- Occupational Health – to support staff and manage sickness

In addition some costs are unavoidable for any organisation;

- Insurance- to cover 3 party, vehicle, public and employer liabilities;

- Legal, Payroll, Accounting; Human Resources; Procurement etc. to support the organisation in paying its staff, suppliers, carrying out activities within the law, supporting station mergers and other front line services and preparing statutory returns.

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

C) CAPITAL PROGRAMME

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

schemes span more than one financial year so the programme is a rolling programme covering five future financial years.

59. The starting point for this programme has been an assessment of the capital investment requirements for the Authority for future years based upon needs identified by the various expert professionals in areas like buildings, vehicles, ICT, and operational equipment. Initial bids were requested and through an iterative process Officers have modified the programme in the light of the updated asset management plans (the asset management plans can be found on today's Authority agenda), and also take account of:-

- service requirements, and in particular investments required to support and deliver the IRMP.
- the need to adopt a prudential approach to capital borrowing under the new regime, being mindful of affordability, prudence and sustainability and in particular the impact on Council Tax levels.

60. This has produced a five-year future capital programme proposal of £38.156m which is set out in the summary table below. This table also identifies funding of the programme and a resultant borrowing requirement of £21.561m. The full programme is set out in **Appendix B**.

PROPOSED CAPITAL PROGRAMME for 2016/2017 - 2020/21						
Capital Expenditure	Total Cost £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Building/Land	20,611,500	14,624,500	4,070,500	630,500	905,500	380,500
Fire Safety	3,575,000	975,000	650,000	650,000	650,000	650,000
ICT	3,436,000	778,000	900,000	596,000	511,000	651,000
Operational Equipment & Hydrants	1,910,000	533,000	440,000	324,000	435,000	178,000
Vehicles	8,623,400	3,689,400	1,228,000	858,000	1,227,000	1,621,000
Total Expenditure	38,155,900	20,599,900	7,288,500	3,058,500	3,728,500	3,480,500
Financing Available	Total £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Capital Receipts	2,550,000	1,850,000	700,000	0	0	0
RCCO/Capital Reserves	7,603,000	5,743,000	690,000	390,000	390,000	390,000
Grants	6,442,000	6,442,000	0	0	0	0
Total Non Borrowing	16,595,000	14,035,000	1,390,000	390,000	390,000	390,000
Unsupported Borrowing	21,560,900	6,564,900	5,898,500	2,668,500	3,338,500	3,090,500
Total Funding	38,155,900	20,599,900	7,288,500	3,058,500	3,728,500	3,480,500

61. New additions to the capital programme have increased the overall expenditure by £4.744m, the reasons for this are :-

- The addition of the "extra year" to the programme 2020/21, £3.481m.
- A re-assessment of spending on smoke alarm costs. The current fire safety capital programme is based on the installation of over 40,000 free smoke alarms a year. In recent years the spending on smoke alarms and installation has

reduced as a consequence of the Authority policy of offering free smoke alarms to only those households most at risk and those not previously visited. Smoke alarm spending and installation costs are expected to be £0.125m a year lower than previously planned from 2017/18. This results in a total reduction of £0.375m across the whole programme.

- (c) New Expenditure Proposals have been included which total across the whole life of the programme £1.263m. The key items are for investment in the electrical infrastructure at SHQ to upgrade the current 450kva Low voltage supply to a 1000kva High voltage supply (£0.2m) and specialist vehicle replacement (CPL aerial appliance £0.7m and prime movers £0.3m).

62. **Appendix B** provides a full analysis of the current 5 year capital programme and additional information can also be found in financial review report (CFO/007/16). Full details of the additional **new starts** can be found in **Appendix B** attached to this report. The main areas of capital programme expenditure are summarised below

A. Building Investment Strategy (£20.612m)

The estate comprises of 25 fire stations (*that will reduce to 22 following the completion of the current station merger programme*), a Training and Development Academy (TDA), Service Headquarters including Fire and Rescue Control, Marine Rescue Team, and the Engineering Centre. The capital programme reflects the funding required to replace, maintain and enhance the current estate stock, and when possible seeks to attract external funding (PFI) or specific contributions (capital receipts, capital reserves) to reduce the level of borrowing requirement. Estates maintain and revise a 5 year property asset management plan and the proposed capital programme is consistent with the priority areas that are contained within the plan. The construction of three new community fire stations, Prescott, Saughall Massie, and St Helens as part of the station merger programme accounts for £13.600m. The refurbishment and essential work at fire stations, £5.533m accounts for most of the balance.

B. Community Risk Management (£3.575m)

Smoke alarms and sprinkler systems are being classed as capital expenditure in line with Government guidance. This follows the awarding of historic capital grants by the (then) Office of the Deputy Prime Minister towards the purchase cost of such items in financial years 2004/05 through to 2007/08. Current policy is to capitalise the installation costs of smoke alarms estimated at £1.950m over the period, however this expenditure is not funded through borrowing but financed in the year by a revenue contribution to capital.

C. ICT – Investing in line with the ICT Strategy (£3.436m)

In line with the increasing use of technology to improve the service there is a significant investment in ICT within the programme. The most significant investments are in line with a planned replacement policy of 5 years for PCs, Servers and Network £2.0m, and software licenses £1.0m.

The other main investment is in the continued development of the portal £0.1m and replacement of MDT (mobile data terminal) in appliances £0.1m

D. Operational Equipment & Hydrants (£1.910m)

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

- a. Hydraulic rescue equipment, £0.2m
- b. BA and communication equipment, £0.3m
- c. Thermal imaging cameras, £0.2m
- d. Gas Tight Suits & PPE, £0.1m
- e. Water rescue equipment, £0.2m
- f. Other specialist equipment, £0.7m
- g. Installation of new or replacement hydrants in line with our water strategy, £0.2m.

E. Vehicle Replacement Strategy (£8.623m)

The Fleet Manager has identified needs as follows:-

a. Fire Appliances;

The Authority has developed an appliance replacement strategy based on the economic life of an appliance. Each appliance has an estimated service life of 10 years on the front line followed by 2 years as a reserve appliance. The plan provides for 17 new appliances.

b. Specialist Vehicles;

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

- Combined Platform Ladder appliances (2 new vehicles)
- Incident Management Unit (IMU)
- Prime Movers (4)

c. Ancillary Vehicles;

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

Officers have commenced a review of the specialist vehicle and ancillary fleet and this will not be completed until after the budget. Any amendments to the proposed capital programme will be brought back to members for approval during 2016/17.

- 63. Capital receipts:- capital receipts are usually the proceeds from the sale of assets. Any such receipts can be applied either to reduce an Authority's outstanding debt or to be reinvested in the capital infrastructure.
- 64. The Authority has (when available) used capital receipts as a source of funding for new capital investment with little, if any, being used for debt repayment – unless regulations require a proportion of the receipts to be used specifically to repay debt.
- 65. The proposed capital programme anticipates capital receipts from a number of site disposals totalling £2.550m. It assumes that this income will be used to reinvest in the capital infrastructure and support the capital programme. Members should note that

the anticipated capital receipt values are based on the best estimates at a point in time.

66. Capital Grants: As part of the 2010 spending review the Government also made the decision that there will be no supported borrowing allocations for the Fire and Rescue Service in the spending review period. Government capital support will be given in the form of a capital grant only. The Government had previously announced that the Authority will receive specific capital grant of £1.770m for a new joint Police/Fire station at Prescot in line with its bid. In addition the Authority was successful in its bid for transformation grant funding for a programme of station mergers and blue light collaboration schemes and received £4.47m. The schemes associated with these grants are included in the proposed capital programme.
67. Operating Leasing:- Under the previous system of capital controls, investment that was funded by operating leases did not count as either capital expenditure or financing as a credit arrangement. Therefore, in common with most other local authorities, operating leasing has been a source of funding for some limited eligible assets (e.g. vehicles, plant and machinery, and computer equipment) although the Authority generally avoided this because of the impact on the revenue account. However, whilst operating leasing as a source of funding remains outside of the Prudential Capital System, no leasing is assumed in this programme. The Treasurer will monitor the suitability of alternative methods of finance.
68. Borrowing:- Under the Prudential capital system Local Authorities are now able to determine their level of borrowing. However, the Government has retained reserve powers to limit an Authority's borrowing if the Government believes an Authority's proposals to be "unaffordable" or in times of national public spending constraint.
69. In the past Government provided support for the Authority's capital spending through supported capital expenditure. The revenue costs associated with supported borrowing was funded through the revenue formula grant. All borrowing from 2008/09 is therefore effectively now unsupported or prudential borrowing.
70. The proposed capital programme represents an overall expenditure increase of £4.744mm reflecting the proposed new starts expenditure. Of this £3.481m relates to the addition of an extra year (2020/21).
71. The impact of these net additions to the expenditure programme on the Authority's borrowing requirement is a net increase of £4.579m:

	£m
Increase in expenditure	4.744
Change in Non Borrowing Funding Sources:	
RCCO (HFSC installation costs)	<u>0.165</u>
Required Increase in Borrowing	4.579

The level of prudential "unsupported" borrowing therefore will increase by £4.579m to £21.561m. *(Although elsewhere on today's agenda the financial review for April – December 2015 identifies a reduction in borrowing in the current capital programme of £2.252m as a consequence of a review of scheme needs).*

72. When the Authority borrows money it has to factor the debt repayment and interest costs into its financial plans. The minimum revenue provision (MRP) methodology calculates how much debt repayment is required each year. Following the new Capital Regulations announced in 2008 the Authority must approve an MRP Statement each year that sets out the policy on MRP. Section D of this report outlines for Members the proposed MRP policy for 2016/17 – 2019/20 and the methodology for calculating the MRP. The additional borrowing and proposed MRP policy require an increase to the 2015/16 base figure for MRP and Interest of:-

			Estimate	Estimate	Estimate	Estimate
			2016/17	2017/18	2018/19	2019/20
			£'m	£'m	£'m	£'m
Cummulative increase in MRP / Interest			0.245	0.695	0.945	1.195

73. A significant factor in the large increase in the budget requirement is down to the Government's decision to factor in no new supported borrowing since 2008/09 and the capital regulations requiring all non-supported borrowing to be repaid over the relevant asset life. This has meant a four or five fold increase in MRP calculations for assets with a short asset life that previously had MRP calculated over a twenty-five year period.
74. Anticipated increase in MRP and Interest has been built into the financial plan for 2016/17 – 2019/20. To give Members an indication of the impact of the proposals, for each £1m reduction in borrowing it would reduce the associated revenue cost by potentially £0.050m - £0.100m (dependant upon on the relevant asset life), the council tax equivalent reduction would be 0.2% - 0.5% or £0.14 to £0.28.

More information on the impact on the Capital Programme is shown in the section on Prudential Indicators (Section E).

(D) MINIMUM REVENUE PROVISION STATEMENT

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

impact on the revenue account is neutral with MRP for these items matching the principal repayment embedded within the PFI or lease agreement.

79. The 2016/17 MRP is determined by the actual level of outstanding debt (CFR) as at the end of 2015/16. It is recommended that the Authority adopt a similar strategy for MRP determination as that in 2015/16;
- For all capital expenditure incurred before 1st April 2008 and for all capital expenditure funded via **supported borrowing**; MRP to be calculated using the Regulatory Method.
 - For all capital expenditure incurred after 1st April 2008 financed by **unsupported (prudential) borrowing**; MRP to be calculated using the Asset Life Method – equal instalments method.
 - For credit arrangements such as **on balance sheet leasing arrangements (finance leases)**; the MRP charge is to be equal to the principal element of the annual rental.
 - For **on balance sheet PFI contracts**; the MRP charge will be equal to the principal element of the annual rental.
80. The above options meet the requirement for MRP to be deemed prudent but also allows certainty and predictability over MRP charges. The financial plan outlined in this report reflects the proposed Authority's policy on prudential MRP.
81. By adopting the recommendations above, the MRP charge for 2016/17 would be £3.9m, consisting of £1.8m for prudential borrowing schemes incurred after 1st April 2008 and £2.1m for all other capital schemes (these figures exclude PFI and Finance lease as the MRP charge is a notional figure and contained within the rental budget).
82. Interest on loans taken out to fund capital expenditure is estimated at £2.4m.
83. In addition it is proposed that if any approved MRP/Interest budget becomes available due to; capital schemes being re-phased; additional specific non-borrowing funding becoming available; or a reduction on the approved capital programme/ required borrowing, then the Service may choose to make additional MRP payments if the overall financial position of the Authority in that year remains consistent with the approved financial plan.
84. The Authority in the past has determined it can afford and sustain significant prudential borrowing in order to allow the required level of investment in the infrastructure and assets of the Authority to deliver a modern well equipped fire and rescue service.

(E) PRUDENTIAL INDICATOR REPORT

85. Having formulated a draft Capital Programme, the Authority, in making final decisions upon that Capital Programme and Revenue Budget 2016/17, will need to consider a report setting out a range of Prudential Indicators aimed at demonstrating the intended Investment Programme's affordability, prudence and impact upon Treasury Management activity and strategy.
86. It should be noted, however, that in order to provide those indicators, capital and revenue financial plans need to be prepared for each of the next three financial years, commencing with 2016/17.
87. The financial plans prepared in respect of the financial years 2017/18 and 2018/19 are not to be mistaken for approved Budgets. They are, at this stage, only a guide for financial planning and as such subject to significant change as a result of decisions made by the Authority. However, such plans are required to be supported by an indication of future Council Tax. At this stage an assumption of Council Tax increases of 2% in 2016/17 and future years.
88. The Authority must demonstrate that its spending plans comply with the Prudential Code by the publication of a number of performance indicators, which are known as the Prudential Indicators. ***Details of the prudential indicators for this Authority are provided below.***
89. The purpose of the indicators is to demonstrate that capital investment remains within sustainable limits and that the Authority has considered the impact of the whole plan on future levels of Council Tax. The indicators that will measure this are:-
- Estimates of the ratio of capital financing charges to the net revenue budget
 - Estimates of the precept that would result from the three-year capital plan.
 - Estimates of the capital financing requirement.
90. The prudential indicators for Merseyside are:-

a) Capital Expenditure

The actual capital expenditure that was incurred in 2014/15 and the estimates of capital expenditure to be incurred for the current and future years that are recommended for approval are:

	Actual 2014/15	Estimate 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21
	£000,s	£000,s	£000,s	£000,s	£000,s	£000,s	£000,s
Capital Expenditure	7,850	7,129	20,600	7,288	3,059	3,728	3,481

Members will note that the increased expenditure in 2016/17 reflects a number of significant investments including;

- The planned new station in Prescot, £4.350m.
- The planned new station in St Helens, £4.250m, plus £1.000m in 2017/18.
- The planned new station in Saughall Massie. £3.000m plus £1.000m in 2017/18.

This explains why the total expenditure in 2016/17 appears to be relatively high. In addition it is important to remember capital costs are shown as the gross figure and are not shown net of any grants or contributions received to contribute towards the cost. More details on the capital programme are given elsewhere in the report (Section C).

(b) Ratio of Financing Costs to Net Revenue Stream

Estimates of the ratio of financing costs to net revenue stream (amounts met from government grants and local taxpayers) for the current and future years, and the actual figures for 2014/15 are:

	Actual 2014/15	Estimate 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21
Ratio of Financing costs to Net Revenue Stream	8.17%	9.54%	8.75%	9.86%	10.86%	11.39%	11.71%

This shows that forecast debt financing costs will increase from 8.17% in 2014/15 to 11.71% by 2020/21. As stated previously the impact of the Government's decision to issue no new supported borrowing for CSR10 has meant all MRP calculations are now based on asset life. This has resulted in a significant rise in MRP over the medium term, but eventually the ratio will fall as historic debt is repaid and all other debt is paid off over the life of the asset. This is also affected by the fact that whilst the Authority's debt is increasing its overall budget is reducing because of forecast Government funding cuts.

(c) Effect on the Precept

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

	Estimate 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21
Incremental Impact of Capital Investment Decisions	-£2.47	£1.57	£1.13	-£0.06	£0.20	£1.18

This indicator compares the capital programme set by the Authority in last year's budget process to the proposed revised capital programme submitted this year. It is intended to show the marginal impact of the overall capital programme, and the decisions being made by the Authority, on the Council Tax levels. The re-phasing of expenditure from 2015/16 into 2016/17 approved during the year, £4.5m, and the new starts in 2016/17 – 2018/19 explains the movement in the figures over this period. The new start programme in 2020/21 has resulted in the increase in 2020/21.

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

92. Based on current commitments for 2015/16 and the latest estimates of capital investment decisions in future years, the capital financing requirement at 31st March is as follows:

	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	31.3.15	31.3.16	31.3.17	31.3.18	31.3.19	31.3.20	31.3.21
	£000,s	£000,s	£000,s	£000,s	£000,s	£000,s	£000,s
Capital Financing Requirement (Excluding PFI)	50,276	50,321	53,605	55,741	54,210	53,320	52,217

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

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

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

94. The Authority had no difficulty in meeting this requirement as the Authority's CFR (excluding PFI) is expected to reach £55.741m by the end of 2017/18 and the expected maximum debt position, (the "operational boundary" – see Treasury Management Strategy) for 2017/18 is £40.000m. The reason for the borrowing figure being lower than the CFR figure reflects the availability of cash in the form of reserves to the Authority and therefore the ability to defer having to take out new loans for the short to medium term.

(F) TREASURY MANAGEMENT STRATEGY STATEMENT 2016/17

INTRODUCTION

95. This report sets out the expected treasury operations for this period, linked to the Authority's Budget, Medium Term Financial Plan, and Capital Programme. It contains four key legislative requirements:-
- (a) The Treasury Management Strategy Statement which sets out how the Authority's treasury service supports capital decisions, day to day treasury management and the limitations on activity through treasury prudential indicators. The key indicator is the Authorised Limit required by s3 of the Local Government Act 2003 and is in accordance with the CIPFA (The Chartered Institute of Public Finance & Accountancy) Codes of Practice.
 - (b) The reporting of the prudential indicators for external debt and the treasury management prudential indicators as required by the CIPFA Treasury Management Code of Practice.
 - (c) The investment strategy which sets out the Authority's criteria for choosing investment counterparties and limiting exposure to the risk of loss. This strategy is in accordance with the Department for Communities and Local Government (DCLG) Guidance on Local Government Investments. It is proposed to maintain the Authority's minimum long term credit rating requirement of Fitch A- or equivalent.
 - (d) The Authority's Minimum Revenue Provision (MRP) Policy, which sets out how the Authority will pay for capital assets through revenue each year as required by Local Authorities (Capital Finance and Accounting) Regulations 2008.

PROPOSED STRATEGY

96. The above policies and parameters provide an approved framework within which the Officers undertake the day to day capital and treasury activities. The Authority is recommended to approve each of the key elements contained within this report which are :-
- The Treasury Management Strategy 2016/17.
 - The External Debt and Treasury Management Prudential Indicators and Limits for 2016/17 to 2018/19.
 - The Investment Strategy 2016/17.
 - The Minimum Revenue Provision (MRP) Statement included in section D which sets out the Authority's policy on MRP.

TREASURY MANAGEMENT STRATEGY

97. The suggested strategy for 2016/17 in respect of Treasury Management is based upon treasury officers' views on interest rates supplemented by leading market forecasts. The strategy covers:-
- (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.

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

(a) PROSPECTS FOR INTEREST RATES:

Monetary indicators point to the pace of recovery being maintained but the risks are building. Recent volatility in financial markets has underlined the downside risks to global growth, primarily emanating from emerging markets. Confidence in the UK economy is also waning following recent business surveys implying that the near-term outlook for economic activity is weaker. UK inflation is expected to remain benign and is not expected to breach Bank of England target levels in 2016. Additionally, the uncertainty created by the forthcoming referendum on European Union (EU) membership will also act as a dampener for growth and interest rates. Therefore, it is unlikely that the Monetary Policy Committee will increase base rates until at least the latter part of 2016 with some economists arguing that it could defer until 2017.

Longer term fixed interest borrowing rates are based on central government borrowing costs i.e. UK gilt yields. Gilt yields have continued to fall despite the high volume of gilt issuance in the UK and of bond issuance in other major countries. This has been due to rapidly falling inflation and the continued demand for safe haven instruments correlated to geo-political risks. Borrowing interest rates have been highly volatile during 2015 as alternating bouts of good and bad news have promoted optimism, and then pessimism, in financial markets. PWLB rates have risen slightly but are still at historically low levels. It is difficult to predict how long current levels are sustainable, made even harder by the political risks around the coming referendum on UK membership of the European Union. However, the economic fundamentals of continued growth, falling unemployment and eventually rising inflation would indicate upward pressure on long term rates and longer-term Public Works Loans Board (PWLB) rates could rise by around 0.5% in 2016/17.

The overall structure of interest rates is expected to remain the same and short term rates will continue to be lower than long term rates and are likely to remain so throughout 2016/17. In this scenario, the strategy will be to reduce investments and borrow for short periods and possibly at variable rates when required.

(b) CAPITAL BORROWING AND DEBT RESCHEDULING:

The borrowing requirement comprises the expected movements in the Capital Financing Requirement and reserves plus any maturing debt which will need to be re-financed. The Authority does not envisage that any new long term borrowing will be required in 2016/17. Given the likely structure of interest rates described above, it is envisaged that any borrowing to meet short term cash flow shortages will be for very short periods. Against this background, Treasury Officers will monitor the interest rate market and adopt a pragmatic approach to any changing circumstances.

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

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

(c) ANNUAL INVESTMENT STRATEGY

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

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

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

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

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

Specified investments will comprise the following institutions: -

- The UK Government (such as the Debt Management Account deposit facility, UK Treasury Bills or a Gilt with less than one year to maturity).
- Supranational bonds of less than one year's duration.
- UK Local Authorities.
- Money Market Funds.
- Enhanced Money Market (Cash) Funds.
- UK Banks.
- Foreign banks registered in the UK.
- Building Societies.

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

- Long term credit rating A-

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

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

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

Investment Limits:- The credit ratings and individual limits for each institution within the categories of investments to be used by the Authority in 2016/17 are as follows:

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

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

as described in the paragraph on Security, below, and so these institutions have the lowest limit.

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

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

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

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

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

Credit ratings are only the starting point when considering credit risk. The Code of Practice requires the Authority to supplement credit rating information with additional operational market information which will be applied before making any specific investment decision from the agreed pool of counterparties. Credit Default

Swaps and negative rating watches/outlooks are examined and the financial press, internet and financial information systems are monitored for market information regarding its counterparties. It also receives daily e-mails from various market participants that could identify potential problems. Any information that casts doubt on an institution's creditworthiness is acted on by suspending investment with that institution.

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

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

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

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

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

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

(d) **EXTERNAL DEBT PRUDENTIAL INDICATORS:**

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

- (h) Authorised limit for external debt
- (i) Operational boundary for external debt

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

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

Authorised Limit for External Debt		2016/17	2017/18	2018/19
		£'000	£'000	£'000
Borrowing		54,000	56,000	54,000
Other Long Term Liabilities (PFI)		19,000	19,000	19,000
TOTAL		73,000	75,000	73,000

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

Operational Boundary for External Debt		2016/17	2017/18	2018/19
		£'000	£'000	£'000
Borrowing		42,000	40,000	39,000
Other Long Term Liabilities (PFI)		19,000	19,000	19,000
TOTAL		61,000	59,000	58,000

Actual External Debt: The prudential indicator for actual external debt considers a single point in time and hence is only directly comparable to the authorised limit and operational boundary at that point in time. Actual external debt is monitored during the year against the limits. It is forecast to be £41.1 million at 31st March 2016.

(e) TREASURY MANAGEMENT PRUDENTIAL INDICATORS:

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

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

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

Upper Limits on Interest Rate Exposures		2016/17	2017/18	2018/19
		%	%	%
Fixed		100	100	100
Variable		50	50	50

This means that the Treasurer will manage fixed interest rate exposures within the range 50% to 100% and variable interest rate exposures within the range 0% to 50% for 2016/17.

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

	Upper Limit	Lower Limit
Under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	50%	0%
10 years and above	90%	0%

Total Principal Sums Invested For Periods Longer Than 364 Days: It is recommended that the limit for investments of longer than 364 days be set at £2 million for each of the years 2016/17, 2017/18 and 2018/19.

(f) PERFORMANCE INDICATORS

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

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

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

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

(g) TREASURY MANAGEMENT ADVISORS

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

- Technical support on treasury matters and capital finance issues.
- Economic and interest rate analysis.
- Debt services which includes advice on the timing of borrowing.
- Debt rescheduling advice surrounding the existing portfolio.
- Generic investment advice on interest rates, timing and investment instruments.
- Credit ratings/market information service comprising the three main credit rating agencies.

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

(G) REVENUE FORECASTS 2016/17 – 2019/20

98. The Authority has in recent years maintained robust medium term financial plans.
99. This plan is fully reviewed on an annual basis and monitored quarterly. This section of the report will develop a financial forecast for the Authority based upon the latest information. It will:-
- Outline the historical background to the current financial plan
 - Outline the underlying assumptions to support forecast,
 - Outline any movement since the previously approved financial plan,
100. Members will recall that in the past few years the Authority's budget forecasts have dealt with significant financial challenges because of government grant reductions.
101. Following the financial crisis of 2008, the Government set its spending review for 2010 to reflect major reductions in public expenditure. The spending review dealt with funding for 2011/12 to 2015/16. For the first two years of that period, the Authority suffered cuts at double the national average for fire and rescue services. Merseyside subsequently received cuts at approximately the same level as all other fire and rescue services in percentage terms (albeit the absolute impact is higher because Merseyside is more reliant on grant than most other fire and rescue authorities).
102. The Authority approved plans to cope with the spending review cuts over the 2011/12 – 2015/16 period and approved £25.6m of total saving options. As planned by the end of 2015/16 £21.9m of savings will have been delivered with the balance being delivered by 2017 to fit in with firefighter natural retirement rates.
103. As a consequence of the approved savings the number of Firefighters in the Service will reduce from 962 at the start of 2011/12 to 664 by the early 2017, a reduction of 31%. Over the 2011/12 – 2015/16 period control staff will have reduced by 21% from 42 to 33, and non-uniform post by 35% from 425 to 277.
104. The structural changes required to sustain the approved saving have all been actioned bar the station merger programme which, as planned, would take a number of years to implement. The new Prescott fire station has received planning permission and construction is expected to commence in the coming weeks. Plans for the other two new stations are being finalised and it is hoped construction will commence in 2016.
105. **The Authority's current financial plan has remained on track and the approved saving options will meet the known financial challenge up to and including 2015/16.**
106. When the Authority set the 2015/16 budget it recognised that any future Government was likely to apply further cuts to the Fire and Rescue Service beyond 2015/16. However as it was extremely difficult to assess, at that time, the scale of the future financial challenges. The Authority agreed to continue to lobby the Government against such a position and highlight the consequences that further cuts would have on effectively delivering an emergency service. The Authority recognised any further cuts to funding would mean additional station closures, reductions in front line

Firefighter's posts, fire appliances and cuts to its support services. Therefore the approved financial plan beyond 2015/16 was noted and the Authority agreed to prepare plans for meeting the future year's financial challenge during 2015/16.

107. The **approved financial plan**, which was updated during 2015/16, identified a potential **£14.109m financial challenge by 2019/20** based on various assumptions. The key technical and policy assumptions in the current plan are:-

Inflation & Pay Changes:-

108. The forecast plan currently includes a contingency for pay awards and price increases in each year. This has been prepared using the following assumptions –

- With effect **from 2016/17 an annual increase in the pay bill of 2%**
- All Other **Price Inflation 2% p.a.**

109. The Government's concern over the cost of public pensions has not gone away despite introducing new schemes in 2014/15 and 2015/16 for the local government and firefighter pension schemes. At this time the assumption is that the pension changes will have no impact on the employer's pension costs, however;

- In 2016/17 the Merseyside Local Government Pension scheme, LGPS, (*a funded scheme*) will undertake its three year actuarial review. Current indications are that the scheme is operating at a potential shortfall in required funding and therefore it may need to consider what options it has to increase contributions.
- The Government is carrying out an actuarial valuation of the firefighters pension schemes. As with the LGPS scheme the regulations allow the employer contribution rate to be increased up to a maximum of 2%.
- **The proposed financial plan assumes no change to the current rate employer rate for either of the above schemes.**

Cost of Capital Borrowing:-

110. The revenue impacts of capital investment decisions and proposed 2016/17 – 2020/21 capital programme are included within forecasts. The plan also takes into account the proposed MRP policy discussed previously in section D.

Increase in Expenditure 2016/17 – 2019/20:-

111. The overall increase in net expenditure on the 2015/16 figure is **£6.093m**.

Resources Available:-

112. The Authority has two main sources **Government Funding** and **Council Tax**. In 2013/14 the Government reformed Fire and Local Government funding system & introduced the Business Rates Retention scheme. The new system provides support in the form of a Revenue Support Grant (RSG) and Business Rates Baseline Funding (made up from local business rates and a top-up grant). The Government has delivered the reductions in support for local authorities and fire and rescue authorities by reducing RSG.

113. In 2015/16 the Authority funding split was; Council Tax Precept 40.5% / £25.2m; RSG 30.1% / £18.7m; and Baseline Funding 29.4% / £18.3m.

114. The **current financial plan assumed** for **2019/20** future reductions in Government support and Council Tax changes of:-

- Government Funding;
 - (b) **RSG would reduce in cash terms by £10.789m (58%)**
 - (c) **Baseline Funding** (Business Rates) would **increase by £1.438m (8%)**
- Council Tax;
 - a. **No change in the Tax Base**
 - b. Collection Fund would be neutral, (£0.683m surplus in 15/16)
 - c. The **council tax precept would increase each year by 2%, £2.018m**

A total reduction in funding compared to 2015/16 of **£8.016m**

115. The current approved financial plan anticipated a financial challenge by 2019/20 of **£14.109m**:

Current 2015/16 - 2019/20 MTFP					
	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
2015/16 Base Budget:					
Base	63,818	63,818	63,818	63,818	63,818
End of contracting-out of the additional State Pension and Higher Employers NI		1,000	1,000	1,000	1,000
FYE of Approved Budget Savings beyond 2016/17					
Various		-461	-341	-341	-341
Firefighter reductions (£0.350 in 15/16, £3.0m 16/17, £3.4m from 17/18)	-350	-3,000	-3,400	-3,400	-3,400
Smoothing Reserve drawdown adjustment	-1,299	-280			
Approved Minimum Revenue Provision (MRP) & Interest Payable on loans		310	760	1,010	1,260
Future Years Inflation		1,425	2,925	4,425	5,925
Current Approved Plan Forecast	62,169	62,812	64,762	66,512	68,262
Estimated Government Settlement Funding Assessment Summer 2015.	-37,004	-30,669	-27,100	-25,829	-27,653
Council Tax (assuming +2% increase in precept p.a.)	-24,482	-24,972	-25,471	-25,980	-26,500
One-off income (Collection Fund)	-683				
Updated Income Forecast	-62,169	-55,641	-52,571	-51,809	-54,153
Forecast Net Position (surplus) / deficit	0	7,171	12,191	14,703	14,109

116. The financial forecast is based upon historic assumptions. The Treasurer has reviewed the underlying assumptions in order to identify savings, and this is considered in Section (H).

117. The Government funding settlement for 2016/17 and indicative proposals up to 2019/20 has now been confirmed. The next section looks at what impact this and any other know changes has made to the £14.1m financial challenge forecast.

Known Changes to the currently Approved Plan 2016/17 – 2019/20 Plan:-

GRANT

118. The Government funding settlement for 2016/17 and indicative figures up to 2019/20 have now been confirmed and the reduction in RSG is marginally lower than expected. The current plan assumed a reduction of £10.8m in RSG or 57.6% from 2015/16 to 2019/20. The actual reduction in RSG is £7.7m or 41.3% in cash terms. The Baseline Funding (business rates) is slightly higher, £0.2m, than expected. Overall the reduction in government funding is down by £6.0m from 2015/16 to 2019/20, and this reduction is £3.3m better than anticipated in the current plan. The table below summarises the actual settlement figure and the change compared to the current plan:-

UPDATED Financial Plan based on Provisional Settlement Figures							
Funding	2015/16	2016/17	2017/18	2018/19	2019/20	2015/16 - 2019/20	
	£'000	£'000	£'000	£'000	£'000	%	£'000
Revenue Support Grant	18,729	16,523	13,664	12,050	11,000	-41.3%	-7,729
Baseline Funding	18,275	18,428	18,791	19,345	19,963	9.2%	1,688
Government Funding	37,004	34,951	32,455	31,395	30,963	-16.3%	-6,041

Change Compared to Current Plan					
Funding	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
Revenue Support Grant	0	4,478	5,544	5,564	3,060
Baseline Funding	0	-196	-189	2	250
Government Funding	0	4,282	5,355	5,566	3,310

COUNCIL TAX

119. Each district council has now finalised the 2016/17 Council Tax base estimates and collection fund statement. The overall Council Tax Base has increased by 3.87%:-

District	2015/16 Council Tax Taxbase	2016/17 Council Tax Taxbase	Variance	
	£	£	£	%
LIVERPOOL	94,459.50	102,235.66	7,776.16	8.23%
WIRRAL	89,344.90	90,481.90	1,137.00	1.27%
ST.HELENS	47,808.00	48,904.00	1,096.00	2.29%
SEFTON	78,319.00	80,806.50	2,487.50	3.18%
KNOWSLEY	32,617.00	33,364.00	747.00	2.29%
	342,548.40	355,792.06	13,243.66	3.87%
2015/16 Band D Tax Level	71.47	71.47		
Total Income £	24,481,934	25,428,459	946,525	3.87%

This means that each £1 of Council Tax the level of income will be greater than that generated in 2015/16 by £13,243.66. The result of this is that the income from the current level of Council Tax is anticipated to higher by £946,525 (this is assumed to be a permanent increase).

This means that the additional income forecast from a just below **2% increase in Council Tax** in 2016/17 is now £0.505m. This plan assumes that increase. (This is the maximum level of increase before holding a referendum).

Each billing authority maintains a collection fund account to which any surplus or deficit in the actual collected council tax or local business rate income to that assumed in the budget is charged. The Districts of Merseyside have reviewed their collection funds and identified the proportion of any surplus or deficit attributable to the Authority. The results are set out in the tables below and show a net surplus of £647,298. This impact is a one-off.

District	2015/2016 Council Tax deficit/(surplus)	District	2015/2016 Bus Rates deficit/(surplus)	District	2015/2016 Total deficit/(surplus)
	£		£		£
LIVERPOOL	-486,588	LIVERPOOL	184,257	LIVERPOOL	-302,331
WIRRAL	-168,328	WIRRAL	52,676	WIRRAL	-115,652
ST.HELENS	-44,316	ST.HELENS	0	ST.HELENS	-44,316
SEFTON	-240,210	SEFTON	-28,645	SEFTON	-268,855
KNOWSLEY	-23,000	KNOWSLEY	106,856	KNOWSLEY	83,856
	-962,442		315,144		-647,298

BUSINESS RATES

120. The Government has also confirmed the value of the Section 31 grants it will pay to offset the loss of business's rate income as a consequence of various national policies on rate relief for these companies. The current plan assumed a grant of £0.267m, the actual grant expected in 2016/17 is £0.406m, which represents a £0.139m increase.
121. Within the Government settlement funding assessment is an assumption around business rate income and in particular the level of local business rates. The Government funding assumes the Authority will receive 1% of local business rates yield estimated at £4.263m in 2016/17. Each billing authority has prepared an estimate of what they believe they will collect and this estimate is £0.025m lower than that assumed in the settlement grant. Therefore the overall local share of business rates is £0.025m lower than that in the final settlement funding estimate.

APPRENTICESHIP LEVY

122. The Chancellor's 2015 Autumn Statement announced a new initiative – the apprenticeship levy which will be introduced in April 2017 at a rate of 0.5 per cent of an employer's pay bill (on employer's pay bills over £3 million). This needs to be built into the updated financial plan at a cost of £200k p.a. from 2017/18.

OVERALL IMPACT

123. The overall impact of all these known changes is that the financial challenge by 2019/20 has reduced from **£14.109m to £11.000m** before any adjustment is made for any council tax base adjustment. The 2016/17 known increase in the Council Tax

Base, assuming it is permanent, will contribute £1.023m towards the challenge leaving **£9.977m to be identified**. The impact of the known changes to the current financial plan by 2019/20 are:

	£'m
Original Forecast Challenge	14.109
Change in Settlement Fund Assessment	(3.310)
Change in Grant for discounts on Business Rates	0.001
Apprenticeship Levy	<u>0.200</u>
Updated Financial Challenge	11.000
 Increase in Council Tax Base	 (1.023)
 Savings to be identified	 9.977

The position is summarised in the table below:-

2016/17 - 2019/20 MTFP				
	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000
Current Approved Plan Forecast	62,812	64,762	66,512	68,262
2016/17 Issues				
Growth required to cover 0.5% levy for national apprenticeship programme		200	200	200
Sec 31 Grant for restricted small business NNDR increase	1	1	1	1
Sec 31 Grant to cover subsidised local NNDR (NNDR1 Section C grants)	-140			
2016/17 Financial Plan Expenditure Forecast	62,673	64,963	66,713	68,463
Funding				
Government Funding - Settlement Funding Assessment				
Baseline Funding -Business Rates / Top-up	-18,428	-18,791	-19,345	-19,963
RSG (2016/17 - 2019/20)	-16,523	-13,664	-12,050	-11,000
Government Funding - Settlement Funding Assessment	-34,951	-32,455	-31,395	-30,963
Adjustment for District Local Business Rate income forecast	25	0	0	0
Council Tax (assuming +2% increase in precept p.a.)	-24,968	-25,469	-25,978	-26,500
Council Tax Base (increase) / decrease	-966	-985	-1,005	-1,023
Council Tax / Business Rates - Collection Fund (surplus)/deficit	-647			
Council Tax	-26,581	-26,454	-26,983	-27,523
Updated Income Forecast	-61,507	-58,909	-58,378	-58,486
Forecast Net Position (surplus) / deficit (after CT Base increase)	1,166	6,054	8,335	9,977

124. Section H of this report will now consider what saving options are available to the Authority to meet the revised financial challenge of £9.977m.

(H) Options for Tackling the Future Financial Challenge (2016/17 – 2019/20)

125. The Government has offered the Authority a four-year funding settlement, 2016/17 to 2019-20. Barring any exceptional circumstances the Government expects the settlement figures to be presented to Parliament each year up to 2019/20 for approval.
126. The offer is conditional on the Authority publishing an “efficiency plan”. It is hoped that this report (and budget resolution) would be deemed as meeting this requirement if members approve a financial strategy that would deliver a balanced financial position by 2019/20.
127. Officers recommend taking the Government up on this offer as it will provide the funding certainty and stability to enable effective planning for the future service provision. The previous section identified, based on current budget assumptions, a **£11.000m financial challenge by 2019/20**. After taking into account the impact of the 2016/17 Council Tax Base increase the **outstanding saving target to be identified is £9.977m**. The following paragraphs identify saving options to deliver a balanced 2016/17 budget and options for a balanced financial strategy up to 2019/20.
128. Before looking at any areas of potential savings it is important to remember that the Authority has agreed a number of Value for Money Principles that have underpinned its approach to budgets and financial plans in recent years. They are:-

Value for Money Principles (Budget Principles):

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

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

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

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

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

129. As the Authority faces a further four or more years of significant financial savings there is very limited room for manoeuvre and these principles may prove difficult to maintain.
130. Officers have considered the options available in light of the Value for Money Principles and they have also taken account of the views of the Authority at the Budget Strategy Day at which Members supported:-

- a. Reviewing the current pay bill assumptions,

- b. Review council tax income forecasts,
- c. Consider technical and non-employee saving options,
- d. Consider savings targets as far as possible on Support and Management Costs,
- e. Choosing efficiencies in front line staffing arrangements that minimise the impact on front line services to the public.

131. Pay Strategy – Currently the financial plan assumes annual pay rises of **2% per annum from 2016/17, or £1m p.a.**

The employers have made no offer to firefighter staff for 2016/17 to date but have offered non-firefighter staff a 1% pay rise in 2016/17. Members may take a view that it is likely that there will be further pay restraint for staff over the next four years (up to and including 2019/20) in light of Government comments over public sector pay. *“So to ensure we have public services we can afford, and protect more jobs, we will continue recent public sector pay awards with a rise of 1% per year for the next four years.”* George Osborne stated in his post-election Budget statement. **If the current annual pay award assumption was revised down to 1% per annum the full year saving would be £0.5m for each year.** There are significant risks associated with this approach (even at a 2% level) and the Treasurer recommends that Members continue to maintain the current inflation reserve at £0.5m, to cover any pay increases above 1% at least in the short term, pending the identification of additional permanent savings.

Members are asked to support the amendment to the current annual pay increase assumption from 2% to 1% per annum.

132. Pay Strategy – Currently the financial plan assumes no increase in the employer’s pension contribution rates.

Pressure on public pensions has not gone away. Actuarial revaluations for the Local Government (LGPS) and Firefighters’ (FPS) pension schemes are planned to take place in 2016/17. The LGPS, which is a funded scheme, has recently been estimated at only having a funding level of 80%. While for the FPS the recent outcome of a legal case (Milne v GAD) and on-going case over age discrimination over age protection is adding to pressure on scheme.

The rates for 2016/17 are fixed, but within both scheme regulations is the provision that Employer rates can increase by a maximum of 2%, a potential increase to the Authority of £0.9m, from 2017/18.

Members are asked to keep to the approved financial plan and assume no change in employer’s pension contribution rates.

The Treasurer will monitor the outcome of any actuarial reviews in 2016/17 and report back to the Authority.

133. Pay Strategy – Currently the financial plan assumes no saving from the new 2015 Fire Pension Scheme (FPS).

At the time the 2015/16 budget was approved the final details over the new 2015 FPS had not been confirmed. The budget assumed that the full firefighter establishment as

members of the 1992 FPS. Currently firefighters, depending on their age and when they started their career can be on one of three FPS schemes, the 1992, 2006 or 2015 scheme.

Each scheme has a different employer on-cost rate. FPS 1992 has the highest rate at 21.7%, followed by FPS 2015 at 14.3% and FPS 2006 at 11.9%. At the start of 2015/16 70% of MFRS firefighters were in the 1992 scheme. By 2019/20 the majority of firefighters will be on FPS 2015 (subject to actual retirement rates). Therefore the Authority will make a saving on its current employer FPS contributions budget of approximately £0.375m by 2019/20. The saving may be higher depending on when firefighters retire and what FPS scheme they are in.

Members are asked to support the amendment to the current financial plan and build in a £0.375m saving on the FPS employer contributions.

134. **Pay Strategy** – Currently the financial plan assumes that the cost of the ending of contracting-out of the additional State Pension and associated higher employers national insurance payments requires a permanent £1m increase in the budget from 2016/17.

Further on in this section the report will identify that reduction in the total employee establishment will be required. The expecting reduction will be in the order of 12.5%, by 2019/20, therefore it is reasonable to assume a saving of 12.5% or £0.125m on the £1.0m set-a-side for higher national insurance costs.

Members are asked to support the assumption that a saving of £0.125m can be made on the £1.0m provision earmarked for higher national insurance payments.

135. **Council Tax – Precept Increase:**

The Financial Plan assumes a just below 2% council tax increase for 2016/17 and future years which is in line with inflation forecasts. This is expected to be the maximum level of increase before holding a referendum.

The Authority might consider a **higher (above 2%) Council Tax increase**. This would require the Authority to hold a referendum (local vote on its proposals). The advantages of this approach would be:-

- Permanently increased income
- Reduced reliance on grant funding in the mid term
- Potentially avoids cuts in service although the increase would need to be significant as each additional 1% would generate approximately £0.250m in additional council tax income. As an example: a 30% increase (additional 28% above that in the plan) would generate £7m towards any future financial challenge.
- The current band D council tax is £71.47, a 30 % increase would increase by £21.44pa to £92.91.
- Future council tax increases would be cumulative on this base

There are a number of practical issues relating to a potential referendum that would make it a risky proposition;

- The Authority has to meet the costs of the referenda – it would need to hold one in each district and get a positive vote in each (Estimate £1m-2m),
- The Authority would have to meet the cost of rebilling if it were not successful (potentially as high as £2m) and would still have to find the required savings to balance the budget,
- There are administrative limitations on the process and campaigning around any referendum which would limit the ability to present a comprehensive argument
- There would be a substantial impact on the taxpayer

Members are asked to keep to the approved financial plan and increase the Council Tax in 2016/17 by 2%, (1.99%).

136. Council Tax – Tax Base:

The current plan **assumes no increase in the tax base in 2016/17 or thereafter.** Over recent years the Authority has seen small increases, 1.0% to 2.4%, in its tax base. In 2016/17 the increase was 3.9%, however this was due in the main to a +8% increase in Liverpool's tax base following one-off technical adjustments and a reduction in the number of Council Tax Support claimants.

The Treasurer believes it is prudent to assume a small increase in the tax base in 2017/18, of 0.5%.

Members are asked to amend the current assumption and assume a 0.5% increase in the tax base from 2017/18. This amendment increases the forecast level of council tax income by £0.125m from 2017/18.

137. Council Tax – Collection Fund

Council Tax billing authorities (Merseyside district councils) maintain a collection fund into which they pay all the council taxes and business rates they collect in their area and from which they pay precepts to the precepting authorities. If they collect more or less than they expected at the start of the year, the surplus or deficit is shared with the precepting authorities in proportion to their council taxes and business rate share. The current plan assumes a neutral position on the collection fund. As one would expect small variance have materialised year-on-year. Business rating appeals over premises valuations and the closure of businesses has seen repeated deficits on the rates element of the fund, however the impact of higher than expected council tax monies has more than offset this.

In recent years the overall collection fund closing balance has varied from a deficit of £0.048m to a surplus of £0.778m. In 2015/16 it had a net surplus of £0.647m. These variances are one-off adjustments.

Members are asked to keep to the approved financial plan and assume the collection fund position remains neutral in future years.

138. **Non-Employee and Technical saving options** – Non-Employee budget savings. Most of the £14.3m non-employee budget has a direct link to operational response;

- (a) **Premises** – £2.7m budget (fire stations; rates, energy, maintenance)
- (b) **Transport** – £1.5m (fire appliances; fuel, insurance, maintenance)
- (c) **Supplies & Services** – £4.4m (protective equipment, communications, uniforms & operational supplies)
- (d) **Agency** – £5.7m (private finance initiative fire stations - unitary charge, ICT contract {control}, and facilities management)

The Strategic Management Group (SMG) have reviewed the historic non-employee spending patterns and budgets and would consider a permanent reduction of £0.350m in the budget as deliverable without adversely impacting on firefighter safety or operational response.

Members are asked to approve the £0.350m saving on non-employee costs identified by SMG.

139. **Non-Employee and Technical saving options**– Minimum Revenue Provision (MRP). The Authority is required to set aside a sum of money each year to reduce the overall level of debt associated with capital expenditure funded through borrowing. Regulations set a minimum annual amount to be charged to the revenue budget (see section D of this report), and this is known as the minimum revenue provision, MRP.

Historically by the very nature of the complexity and size of the large capital schemes they often are re-phased (due issues over planning, design, or partnership agreements) to a later start date than that assumed in the budget.

As the Service looks to re-engineer itself to meet the financial challenge ahead Principal Officers will scrutinise the existing and future capital programme to, if possible, reduce borrowing demands.

The Treasurer will continue to look for opportunities to spread MRP payments based on options available within the Prudential Code and statutory regulations.

The Treasurer feels it is prudent to assume that these actions can reduce the level of future MRP payments below those in the current financial plan by £0.825m by 2019/20.

Members are asked to amend the current financial plan and reduce the MRP budget by £0.825m by 2019/20.

140. **Non-Employee and Technical saving options** – Non-employee inflation provision. The budget has a provision for general price inflation of 2% for non-employee costs. A significant proportion of the £14.3m non-employee spend relates to long term contracts (Private Finance Initiative payments, £2.7m) that have contractual obligations over annual inflationary uplifts. Other inflationary pressures on costs such as building rates (£1.6m), energy (£0.9m), or vehicle running costs (£1.5m) are beyond the control of officers.

In the future the Treasurer will expect any non-employee “controllable” expenditure inflation pressures to be met from department budgets in the first instance. If this is not possible then the inflation provision will be used.

This strategy is expected to save £0.728m by 2019/20.

Members are asked to amend the current financial plan and reduce the non-employee inflationary provision by £0.728m by 2019/20.

141. After taking into account the identified savings above it leaves £5.499m to be found from the employee budget:

Updated 2016/17 - 2019/20 MTFP				
	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000
Updated Approved Plan Forecast - Forecast Financial Challenge	1,166	6,054	8,335	9,977
Saving identified so far:				
Pay Strategy:				
Change Pay Assumption from 2% to 1% over 2016/17 - 2019/20 period				
2016/17	-450	-500	-500	-500
2017/18	0	-450	-500	-500
2018/19	0	0	-450	-500
2019/20	0	0	0	-450
Review long term FPS Employer Budget	0	-180	-255	-375
Review NI increase following SERPS changes	0	-125	-125	-125
Council Tax – Tax Base:				
Assume increase of 0.5% in 2016/17 base from 2017/18	0	-125	-125	-125
Non-Employee and Technical saving options:				
Review Non-Employee Budgets	-350	-350	-350	-350
Review MRP payments	0	-500	-675	-825
Review Inflation for non-employee / cash limit budgets	-197	-500	-650	-728
Total Savings	-997	-2,730	-3,630	-4,478
Savings still required	169	3,324	4,705	5,499

142. The employee budget makes up approximately 70% of the budget. Employee savings cannot be achieved without staffing reductions, the tables below show how staff numbers have been reduced since 2011/12;

Non-Uniform Budgeted FTE		Fire Control Budgeted FTE		Uniform Budgeted FTE	
425	31.03.11	42	31.03.11	962	31.03.11
277	Current	33	Current	664	Current
-148	-34.8%	-9	-21.4%	-298	-31.0%

143. The agreed strategy is to protect operational response as much as possible, therefore in the first instance savings from management and support services have been identified. However, the required level of saving cannot be delivered from management and support staff costs alone and therefore is likely to mean further reductions in appliances, a review of fire station numbers and duty system arrangements.

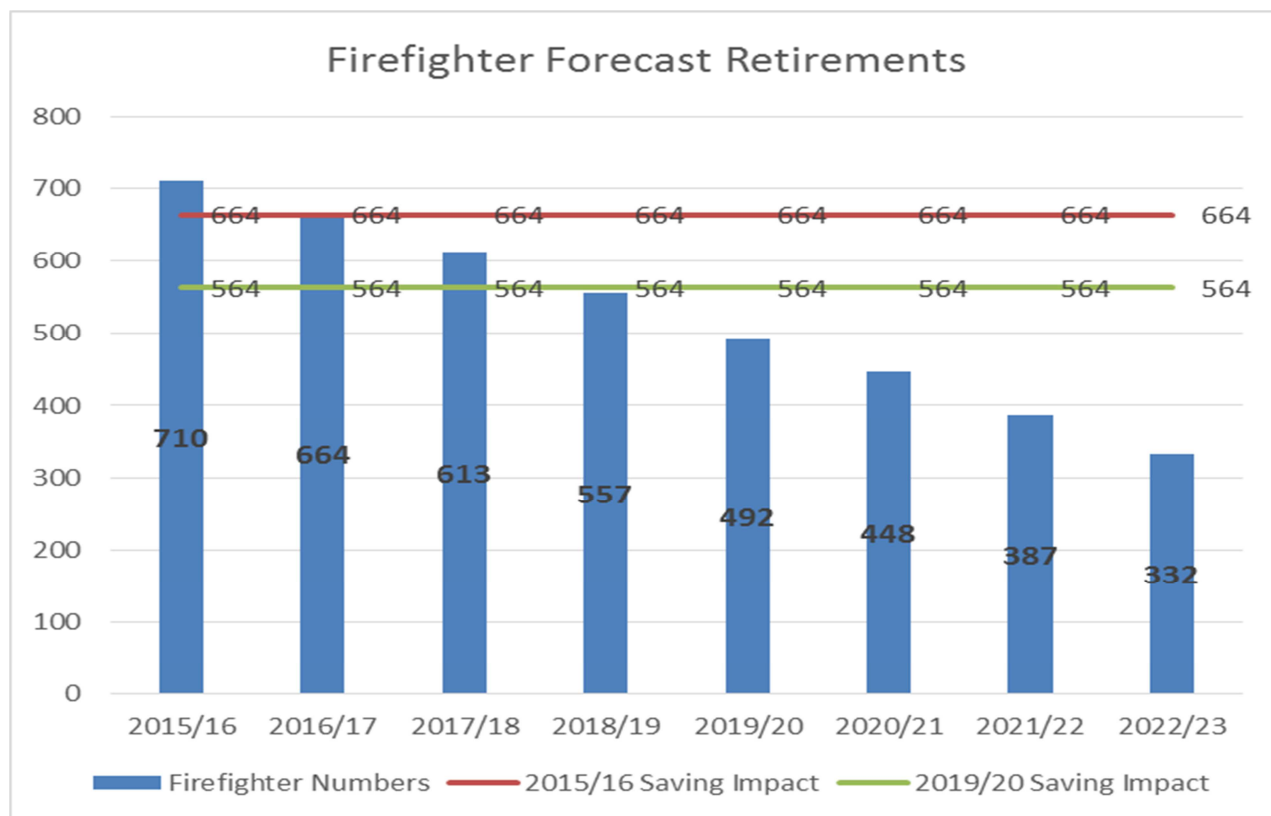
Management and Support Services Staff Savings:

144. Members have already approved a revised senior management structure when the approved report CFO/056/15 at the Authority meeting on 11th June 2015. The revised **senior management structure delivers a permanent full year saving of £0.499m** from 2016/17.
145. At the Budget Strategy day the Deputy Chief Fire Officer (DCFO) presented to members the changing landscape facing the Authority; the drive for closer working between the Emergency Services and blue light collaboration; the transfer of Fire to the Home Office; City Region Mayor – Devolution deal; and the financial challenge facing the Authority. Within this context Members supported the **CFO's proposal to set a saving target of £1.0m from a corporate and support services review that is currently being undertaken**. The impact on the establishment numbers will depend on the relevant salary levels of the posts being deleted, but it is expected that a net reduction of 30 to 40 posts (-11% to 15%) will be required. The review is not expected to be completed until at least towards the end of 2016. Any recommendations will need to take account of any investment in systems or processes required to deliver the organisational changes. The reduction in support staff is not expected to deliver any net cash saving until 2017/18.

Members are asked to approve the proposal to set a £1.0m saving target from the Support Services establishment which together with the approved senior management savings would deliver £1.499m.

Operational Response Staff Savings:

146. Assuming all of the above saving proposals are taken this leaves an outstanding financial challenge of £4.000m to come from the front-line, which is equivalent to about 100 firefighter posts. This would see the current budgeted establishment of 664 firefighters being reduced to 564.
147. Based on the current firefighter retirement profile the number of firefighters will not fall to 564 until the end of 2018/19. The table overleaf outlines firefighter retirements over the next few years.



148. In response to previous cuts the service planned to reduce the number of fire appliances from 42 to 24 crewed on a full time basis and 4 on a wholetime retained basis, and a reduction from 26 fire stations to 22 with most only having one appliance.
149. The operational priority of the Chief Fire Officer (CFO) is to maintain the availability of wholetime appliances in order to sustain as far as possible the existing speed and weight of attack to incidents.
150. The CFO presentation to Members at the Budget Strategy day recognised that with the further inevitable reduction in Firefighter numbers as a result of the 2016/17 – 2019/20 budget cuts it will not be possible to maintain the existing numbers of wholetime appliances. Given the existing ratio of appliances to stations this will necessitate either station closures, days only crewing, or changing duty systems to, for example, retained.
151. The Authority operational response model is predicated on a pan Merseyside 10 minute response standard. In order to achieve the 10 minute response standard Officers have designated 10 strategic locations (key stations) which, if always covered, will ensure that the 10 minute response is maintained. In addition Croxteth station provides the local, regional and national resilience for search and rescue response provision. Therefore in any review the minimum provision is for the 11 stations outlined below:-
1. Southport (33)
 2. Formby (32)
 3. Bootle/Netherton (30)
 4. Kirkby (42)

5. St Helens (50) (new build 2017 pending planning consent)
6. Prescot (40) (new build 2017)
7. Speke/Garston (14)
8. Old Swan (16)
9. Bromborough (21)
10. Saughall Massie (23) (new build 2017 pending planning consent)
- Plus Croxteth (19)

152. The aspiration is however to attend incidents well within the 10 minute standard. This is best achieved by maintaining as many wholetime appliances as possible from as many stations as possible. When faced with an inevitable reduction in appliances it is essential that the appliances that remain are sited at the most optimal deployment locations.
153. If the operational response establishment is required to deliver £4.0m of savings and this equates to up to 100 firefighter posts which may result in the loss of 4 wholetime appliances. No realistic merger options remain beyond those approved already, therefore the CFO has identified a range of possible options for consideration:-
 - (a) No station closures – 10 one pump wholetime stations, 4 LLAR stations, and 8 stations crewed days only, or
 - (b) Eight station closures – 10 two pump wholetime stations, 4 LLAR stations, or
 - (c) Assume 4 riders instead of 5 on all pumps
 - (d) A hybrid option somewhere between the above extremes directed by the best response times achievable
154. The CFO would not be proposing any reduction in operational response resources if it wasn't for the financial position the Authority finds itself in.
155. All options will be fully evaluated over the coming months and officers will consult with the public on the response options as part of the IRMP 2017/20 pre-planning during March and April 2016. The preferred options will then be included in the draft IRMP that will be considered by the Authority in October 2016. The final version of the IRMP will be approved by the Authority in February 2017.
156. The CFO will implement any interim measures as necessary under delegated authority.

Members are asked to approve the proposal to set a £4.0m saving target from the Operational Response establishment to be delivered by natural retirement rates. Members request that the CFO report back on the recommended future operational response structure.

157. The VFM principle 2; *"To continue to seek to avoid compulsory redundancy (if possible given the difficult financial circumstances)"* would require using the £1.150m of the £2m smoothing reserve to compensate for the timing profile of the delivery of the support service review and firefighter retirements. The smoothing reserve was set-up to reflect the fact that it takes time to re-engineer the service and in the Section (I) identifies that sufficient reserve exists to allow for the phasing of the £5.499m staff

saving options. The table below outlines the profile of the utilisation of the smoothing reserve:

	Balance 31.03.16	2016/17	2017/18	2018/19	2019/20	Future Yrs	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Smoothing Reserve contribution to (£x) / drawdown from £x	1,323	977	-1,075	-406	0	-819	0

158. The financial plan assumptions are subject to a number of risks beyond the control of the Authority. Small percentage changes to the assumed annual pay rises or employer pension contribution rates can significantly adversely impact on the Authority's financial position, requiring the identification of additional saving options if this happens. If the Authority finds itself in a more favourable position then officers would look to reinvest funds back into front line operational response services. The Treasurer will constantly monitor the financial plan and report back to the Authority via the quarterly financial monitoring reports.
159. The financial plan attached to this report as Appendix C, if approved, sets a balanced budget for 2016/17 and outlines a financial strategy for delivering a balanced financial plan up to and including 2019/20. The CFO will bring back reports to the Authority for approval on how the Support and Operational staff savings can be delivered during 2016/17.

(I) ADEQUACY OF RESERVES AND BALANCES

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

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

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

162. In the Authority the Chief Finance Officer is the Treasurer. For the purposes of the Act the “financial reserves” of the Authority would incorporate Earmarked Reserves and Working Balances.

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

Robustness of Estimate

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

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

Adequacy of proposed Financial Reserves

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

166. However, the 2003 Act still places a requirement upon the Chief Finance Officer to report if the level of reserves is likely to be inadequate. That report should contain comment upon:
- the reasons for that situation
 - the actions, if any, considered appropriate to prevent the situation arising.
167. There is then a requirement for the Authority to respond to the report when making decisions on its future financial reserves.
168. In recent years the Authority has maintained a general revenue reserve of, in excess, of £2m and also maintained a number of earmarked reserves.
169. A pilot Comprehensive Performance Assessment (CPA) performance indicator relating to the level of general fund reserves indicated that;
- an appropriate level was 5% of the forecast Net Operating Expenditure, or
 - that the organisation had a financial risk management process operating which justified a lower level of reserves”.

This is the ‘normal’ rule for multi-service local authorities.

170. For this Authority a 5% forecast Net Operating Expenditure equates to approximately £3million. The Authority’s general revenue reserve is currently £2.000m, however:-
- The Authority’s risk management arrangements have improved. As part of this budget process the Treasurer has prepared a financial risk management matrix and also assessed the year on year variation in risk facing the Authority. This takes account of the corporate risk register.
 - The Authority has previously maintained a number of specific earmarked reserves against risk.
 - The Authority is single purpose and does not face as full a range of risks to manage as a multi-purpose authority.
 - The Authority is unlikely to face significant increases in cost because of uncontrollable demand issues (unlike for example Social Services care for the elderly).
 - Members will note that the Authority’s revenue reserves have not generally been consumed during the year by overspending but have been maintained throughout the year.

Therefore, as the significant risks are known and are being managed or have a specific reserve, the Treasurer recommends maintaining the general reserve at its current £2.000m level.

171. Current Reserves:- Based on the latest financial review and known planned future use the Authority's forecast reserves are outlined in the table below:

Forecast Movement on Reserves 2016/17 Onwards								
	Anticipat ed Balance 31.03.16	EXPECTED USE						Balance
		2016/17		2017/18	2018/19	2019/20	Future Years	
		Assumed in the Bud	Anticipated Additional Use					
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Earmarked Reserves</u>								
<u>Emergency Related Reserves</u>								
Bellwin Reserve	147	0	0	0	0	0	-147	0
Insurance Reserve	870	0	-470	-400	0	0	0	0
Emergency planning Reserve	75	0	0	0	0	0	-75	0
Catastrophe Reserve	500	0	0	0	0	0	-500	0
<u>Modernisation Challenge</u>								
Smoothing Reserve	1,323	977	0	-1,075	-406	0	-819	0
Severance Reserve	365		-65	-300	0	0	0	0
Ill Health Penalty Reserve	500		-250	-250	0	0	0	0
Recruitment Reserve	1,000		-1,000	0	0	0	0	0
Capital Investment Reserve	12,453	-5,292	-829	-6,332	0	0	0	0
PFI Annuity Reserve	2,177	-49	-51	-100	-100	-100	-1,777	0
Equality / DDA Investment Reserve	285		-185	-100	0	0	0	0
Firefighter Safety Investment Reserve	760		-260	-500	0	0	0	0
<u>Specific Projects</u>								
Community Sponsorship Reserve	0		0	0	0	0	0	0
Equipment Reserve	157		-157	0	0	0	0	0
Contestable Research Fund Reserve	25		-25	0	0	0	0	0
Healthy Living / Olympic Legacy	23		-23	0	0	0	0	0
Inflation Reserve	500		0	0	0	0	-500	0
Clothing / Boots Reserve	16		-16	0	0	0	0	0
CFOA Road Safety Reserve	100		-100	0	0	0	0	0
<u>Ringfenced Reserves</u>								
F.R.E.E. Reserve	52		-52	0	0	0	0	0
Princes Trust Reserve	368		-368	0	0	0	0	0
Community Youth Team Reserve	58		-58	0	0	0	0	0
Beacon Peer Project Reserve	62		-62	0	0	0	0	0
Innovation Fund Reserve	171		-171	0	0	0	0	0
Energy Reseve	156	48	-204	0	0	0	0	0
St Helens District Reserve	6		-6	0	0	0	0	0
New Dimensions Reserve	947		-947	0	0	0	0	0
Total Earmarked Reserves	23,096	-4,316	-5,299	-9,057	-506	-100	-3,818	0
General revenue Reserve	2,000	0	0	0	0	0	0	2,000
Total Reserves	25,096	-4,316	-5,299	-9,057	-506	-100	-3,818	2,000

172. The current estimated reserves as at 31.03.16 are:-

• Ringfenced Reserves (not available for general spend)	£1.820m
• Earmarked Reserves (created to fund future projects or as a resource to meet some potential future spend)	£21.276m
• General Fund Reserve (required to cover unexpected events)	<u>£2.000m</u>
	£25.096m

Approximately £21.276m of earmarked reserves might be viewed as available, however, £12.5m of this has already been committed to fund approved current and future capital investment, including the construction of new stations as part of the station merger initiative and controlling the level of borrowing to deliver the approved revenue debt servicing savings. Also £1.6m is required to cover insurance and catastrophe risks; £1.3m of the smoothing reserve is required to balance the 2016/17 – 2019/20 financial plan; and £2.2m is required to smooth out the future PFI unitary charges over the remaining contract years. This leaves £3.7m of earmarked reserve to consider. Although this would appear relatively high it reflects the level of risk associated with the current financial plan and the severity of cuts imposed on the Authority for 2016/17 and beyond. The £3.7m earmarked reserves are:

	£'m
Severance Reserve	0.4
Recruitment Reserve	1.0
Firefighter Safety	0.8
Inflation Reserve	0.5
Ill Health Cost	0.5
Equality / DDA	0.3
Other	<u>0.2</u>
	3.7

173. Based upon assumptions that; the Authority will adopt all the savings identified and their attendant risks; that the Authority needs a buffer to give it time to make changes required; and, in order to avoid compulsory redundancy if possible the Treasurer recommends the Authority hold the £3.7m identified above in reserves at the start of the financial plan.

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

174. Members need to consider their strategy on reserves and balances in the light of the guidance from the Treasurer.

(J) BUDGET TIMETABLE & RESOLUTION

175. There is a legal requirement for the Authority to set a balanced budget and decide its level of precept before 1st March 2016. The Authority meeting is now invited to:

- Confirm the financial plan set out in Appendix C, approve the budget requirement of £61.507m for 2016/17 as outlined in Appendix C.
- note that the Authority's council tax base for 2016/17 is 355,792.06, being the aggregate of the tax bases calculated by the Districts.
- approve the following amounts calculated in accordance with Sections 42a to 49 of the Local Government Finance Act 1992:-

Calculation of Aggregate Amounts Under Section 42a (2) and (3) of the Local Government Act 1992 (Updated in the Localism Act 2011)					
			Gross Expenditure 2016/17	Gross Income 2016/17	Estimate 2016/17
			£'000	£'000	£'000
(A)	sec 42 (2) (a)	Service Budget	72,205		72,205
(B)	sec 42 (3) (a)	Income		-6,382	-6,382
		Reserves Movement:			
(A)	sec 42 (2) (c)	Contribution to reserves	1,025		1,025
(B)	sec 42A (3) (a)	Contribution from reserves		-5,341	-5,341
		Budget Requirement	73,230	-11,723	61,507
(B)	sec 42A (3) (a)	Spending Funding Assessment		-34,951	-34,951
(B)	sec 42A (3) (a)	Local NNDR Estimate Adjustment		25	25
(B)	sec 42A (3) (a)	Collection Fund Deficit / (Suplus)		-647	-647
		Non-Precept Income			-35,573
(C)	In accordance with Sec 42A (4), aggregate of (A) over (B)	Precept Requirement			25,934
		Tax Base			355,792.06
		Precept Requirement / Tax Base:			£72.89
		Basic Tax Amount At Band 'D'			£72.89

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

2015/16	2016/17	Property Band		Increase	
£	£			£	%
£47.65	£48.59	For properties in Band	A	0.94	1.97
£55.59	£56.69	For properties in Band	B	1.10	1.98
£63.53	£64.79	For properties in Band	C	1.26	1.98
£71.47	£72.89	For properties in Band	D	1.42	1.99
£87.35	£89.09	For properties in Band	E	1.74	1.99
£103.23	£105.29	For properties in Band	F	2.06	2.00
£119.12	£121.48	For properties in Band	G	2.36	1.98
£142.94	£145.78	For properties in Band	H	2.84	1.99

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

PRECEPT	AUTHORITY
£	
7,451,957	LIVERPOOL
6,595,226	WIRRAL
3,564,613	ST.HELENS
5,889,986	SEFTON
2,431,902	KNOWSLEY
25,933,684	

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

21st April 2016
 31st May 2016
 6th July 2016
 11th August 2016
 19th September 2016
 25th October 2016
 30th November 2016
 10th January 2017
 15th February 2017
 17th March 2017

Equality and Diversity Implications

179. Future reports on staff saving plans, if required, will be accompanied by EIAs.
180. The financial plan makes provision for the necessary investment to ensure the Authority meets and exceeds its Equality and Diversity requirements in addition to work carried out by all staff and teams.

Staff Implications

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

Legal Implications

182. The Authority must set a balanced budget and decide its level of precept before 1st March 2016.

Financial Implications & Value for Money

183. See Executive Summary

Risk Management, Health & Safety, and Environmental Implications

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

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

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

BACKGROUND PAPERS

CFO/007/16 “FINANCIAL REVIEW REPORT 2015/16 APRIL TO DECEMBER REVIEW”
AUTHORITY 25 FEBRUARY 2016

GLOSSARY OF TERMS

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

MRP	MINIMUM REVENUE PROVISION - An amount set aside from revenue towards the repayment of loan debt.
RESERVES	Amounts set aside to meet future contingencies but whose use does not affect the Authority's net expenditure in a given year. Appropriations to and from reserves may not be made directly from the revenue account.
UNSUPPORTED BORROWING	No Revenue Support Grant to cover the costs associated with borrowing and the Authority must earmark revenue funds to cover these costs.
RSG	Revenue Support Grant
FRA	Fire and Rescue Authority
MTFP	Medium Term Financial Plan
FPS	Firefighters' Pension Scheme
LGPS	Local Government Pension Scheme

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2016/17 DRAFT SUMMARY REVENUE BUDGET

	£'000
Budget Requirement	
Fire Service	65,467
Corporate Management	533
2016 - 17 Savings	-1,497
Contingency for Pay/Price Changes	1,692
TOTAL SERVICE EXPENDITURE	66,195
Interest on Balances	-372
NET OPERATING EXPENDITURE	65,823
Contribution to/(from) Reserves:	
Smoothing Reserve	977
Capital Investment Reserve	-5,292
PFI Annuity Reserve	-49
Energy Reserve	48
	-4,316
BUDGET REQUIREMENT	61,507
Funding:	
Settlement Funding Assessment	-34,951
Business Rates Adjustment	25
Collection Fund Deficit	-647
Precept Income	-25,934
	-61,507

2016/17 DRAFT FIRE SERVICE REVENUE BUDGET

		£'000
EMPLOYEES		
Uniformed		
Firefighters		30,375
Control		1,239
Additional Hours		1,231
TOTAL UNIFORMED		32,845
APT&C and Manual		
APT&C		9,247
Couriers		102
Catering		134
Transport Maintenance		537
Other Manual		70
TOTAL APT&C/MANUAL		10,090
Other Employee Expenses		
Allowances		65
Training Expenses		525
Other Expenses		29
Staff Advertising		10
Development Expenses		59
Employee Insurance		143
Enhanced Pensions		52
SSP & SMP Reimbursements		-16
Catering Expenditure		124
HFRA Capitalisation Payroll		-450
TOTAL OTHER EMPLOYEE EXPEND		541
Pensions		
Injury Pension		1,780
Ill Health Ret charges		174
TOTAL PENSIONS		1,954
TOTAL EMPLOYEES		45,430
PREMISES		
Building Maintenance Repairs		128
Site Maintenance Costs		10
Energy		832
Rent		80
Rates		1,333
Water		198
Fixtures		30
Insurance		51
TOTAL PREMISES		2,662
TRANSPORT		
Direct Transport		384
Tunnel & Toll Fees		25
Operating Lease		178
Other Transport Costs		478
Car Allowances		121
Insurance		355
TOTAL TRANSPORT		1,541
SUPPLIES & SERVICES		
Administrative Supplies		24
Operational Supplies		275
Consumables		36
Training Supplies		142
Fire Prevention Supplies		96
Catering Supplies		24
Uniforms		290
Printing & Stationery		152
Other		29
Professional Fees/Service		856
Communications		687
Postage		29
Computing		262
Medicals		274
Travel & Subsistence		77
Grants/Subscriptions		82
Furniture		24
Laundry		81
Insurances		35
TOTAL SUPPLIES & SERVICES		3,475

2016/17 DRAFT FIRE SERVICE REVENUE BUDGET

	£'000
AGENCY SERVICES	
Super Fund Admin	100
ICT Service Provider	1,421
Third Party Payments (FSN)	195
ICT Managed Suppliers	338
PFI Unitary Charges ((Int/Principal/Op Costs)	2,663
Estates Service Provider	1,025
TOTAL AGENCY SERVICES	5,742
CENTRAL EXPENSES	
Finance & Computing	452
TOTAL CENTRAL EXPENSES	452
CAPITAL FINANCING	
PWLB Debt Charges	6,356
MRB Debt Charges	76
Revenue Contribution to Capital	5,743
TOTAL CAPITAL FINANCING	12,175
TOTAL EXPENDITURE	71,477
INCOME	
Specific Grants	-3,648
Fees & Charges	-850
Rents etc	-767
Recharges Secondments	-456
Contributions	-170
Recharges Internal	-108
Other Income	-11
TOTAL INCOME	-6,010
NET EXPENDITURE	65,467

2016/17 DRAFT CORPORATE MGT REVENUE BUDGET

	£'000
EXPENDITURE	
Finance & Legal costs	
Finance Officer	79
Legal Officer	102
Democratic Rep (1020)	
- Travel & Subsistence	30
- Conference Fees	10
- Members Allowances	216
- Other	4
Central Expenses (1030)	
Bank Charges	17
District Audit Fees	43
Subscriptions	32
	533

PROPOSED CAPITAL PROGRAMME for 2016/17 - 2020/21

Capital Expenditure	Total Cost £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Building/Land	20,611,500	14,624,500	4,070,500	630,500	905,500	380,500
Fire Safety	3,575,000	975,000	650,000	650,000	650,000	650,000
ICT	3,436,000	778,000	900,000	596,000	511,000	651,000
Operational Equipment & Hydrants	1,910,000	533,000	440,000	324,000	435,000	178,000
Vehicles	8,623,400	3,689,400	1,228,000	858,000	1,227,000	1,621,000
Total Expenditure	38,155,900	20,599,900	7,288,500	3,058,500	3,728,500	3,480,500
Financing Available	Total £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Capital Receipts	2,550,000	1,850,000	700,000	0	0	0
RCCO/Capital Reserves	7,603,000	5,743,000	690,000	390,000	390,000	390,000
Grants	6,442,000	6,442,000	0	0	0	0
Total Non Borrowing	16,595,000	14,035,000	1,390,000	390,000	390,000	390,000
Unsupported Borrowing	21,560,900	6,564,900	5,898,500	2,668,500	3,338,500	3,090,500
Total Funding	38,155,900	20,599,900	7,288,500	3,058,500	3,728,500	3,480,500

New Starts for 2016/2017 - 2020/21						
Capital Expenditure	Total Cost £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Building/Land	630,500	225,000	0	0	25,000	380,500
Fire Safety	275,000	0	(125,000)	(125,000)	(125,000)	650,000
ICT	1,035,000	80,000	344,000	(120,000)	80,000	651,000
Operational Equipment & Hydrants	178,000	0	0	0	0	178,000
Vehicles	2,625,100	1,004,100	0	0	0	1,621,000
Total Expenditure	4,743,600	1,309,100	219,000	(245,000)	(20,000)	3,480,500
Financing Available	Total £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
RCCO						
CFS Alarm Installation (Salaries) Adjustment	165,000	0	(75,000)	(75,000)	(75,000)	390,000
Total Non Borrowing	165,000	0	(75,000)	(75,000)	(75,000)	390,000
Unsupported Borrowing	4,578,600	1,309,100	294,000	(170,000)	55,000	3,090,500
Total Funding	4,743,600	1,309,100	219,000	(245,000)	(20,000)	3,480,500

Approved Authority Capital Programme for 2016/2017 - 2019/2020						
Capital Expenditure	Total Cost £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Building/Land	19,981,000	14,399,500	4,070,500	630,500	880,500	0
Fire Safety	3,300,000	975,000	775,000	775,000	775,000	0
ICT	2,401,000	698,000	556,000	716,000	431,000	0
Operational Equipment & Hydrants	1,732,000	533,000	440,000	324,000	435,000	0
Vehicles	5,998,300	2,685,300	1,228,000	858,000	1,227,000	0
Total Expenditure	33,412,300	19,290,800	7,069,500	3,303,500	3,748,500	0
Financing Available	Total £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2019/20 £
Capital Receipts	2,550,000	1,850,000	700,000	0	0	0
Sale of Huyton FS (CFO/095/14)		250,000				
Sale of Whiston FS (CFO/095/14)		250,000				
Sale of Upton FS (CFO/058/15)		350,000				
Sale of West Kirby FS (CFO/058/15)		200,000				
Sale of LLAR House West Kirby		400,000				
Sale of Allerton CFS/House		400,000				
Sale of St Helens			100,000			
Sale of Eccleston			600,000			
RCCO/Capital Reserves	7,438,000	5,743,000	765,000	465,000	465,000	0
CFS alarm installation (salaries)		450,000	450,000	450,000	450,000	
CFS alarm installation (FSD)		15,000	15,000	15,000	15,000	
BLD080 Prescott FS New Build, Capital Investment Reserve (CFO/83/15)		1,550,000				
BLD082 Saughall Massie FS New Build		2,160,000				
BLD083 St Helens FS New Build (CFO/059/15)		2,760,000	300,000			
Balance of Transformation Grant (Allerton) used to fund Saughall/St Helens		-1,192,000				
Grants	6,442,000	6,442,000	0	0	0	0
BLD080 Prescott FS New Build (CFO/095/14)		1,770,000				
BLD080 Prescott FS New Build, Merseyside PA Contribution (CFO/83/15)		600,000				
BLD080 Prescott FS New Build, NWAS Contribution (CFO/83/15)		100,000				
BLD082 Saughall Massie FS New Build, Capital Transformation Grant		1,290,000				
BLD083 St Helens FS New Build (CFO/059/15)		1,490,000				
Balance of Transformation Grant (Allerton) used to fund Saughall/St Helens		1,192,000				
Total Non Borrowing	16,430,000	14,035,000	1,465,000	465,000	465,000	0
Unsupported Borrowing	16,982,300	5,255,800	5,604,500	2,838,500	3,283,500	0
Total Funding	33,412,300	19,290,800	7,069,500	3,303,500	3,748,500	0

Building / Land - New Starts 2016/17 to 2020/21

Type of Capital Expenditure	Total Cost £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Major Site Refurbishments						
BLD079 Station Refurbishments	25,000					25,000
	25,000	0	0	0	0	25,000
LLAR Accommodation Works						
BLD016 Community Station Investment	25,000					25,000
BLD050 LLAR Accommodation Belle Vale	50,000	25,000			25,000	
	75,000	25,000	0	0	25,000	25,000
General Station Upgrade Works						
BLD001 Roofs & Canopy Replacements	40,000					40,000
BLD004 Concrete Yard Repairs	20,000					20,000
BLD005 Tower Improvements	10,000					10,000
BLD013 Non Slip Coating to Appliance Room Floors	30,000					30,000
BLD014 Boiler Replacements	15,000					15,000
BLD020 Electrical Testing	20,000					20,000
BLD033 Sanitary Accommodation Refurbishment	20,000					20,000
BLD044 Asbestos Surveys	10,000					10,000
BLD060 DDA Compliance	20,000					20,000
	185,000	0	0	0	0	185,000
Other Works						
BLD007 L.E.V. System in Appliance Rooms	5,000					5,000
BLD018 Conference Facilities SHQ	5,000					5,000
BLD026 Corporate Signage	5,000					5,000
BLD032 Power Strategy	10,000					10,000
BLD034 Office Accommodation	15,000					15,000
BLD058 HVAC - Heating, Ventilation & Air Con	25,000					25,000
BLD061 Lightning Conductors & Surge Protection	10,000					10,000
BLD062 Emergency Lighting	5,000					5,000
BLD067 Gym Equipment Replacement	20,000					20,000
BLD092 Service Headquarters Offices	200,000	200,000				
CON001 Energy Conservation Non-Salix	25,000					25,000
EQU002 Replacement Programme for Fridge Freezers	10,000					10,000
EQU003 Furniture Replacement Programme	10,500					10,500
	345,500	200,000	0	0	0	145,500
	630,500	225,000	0	0	25,000	380,500

Building / Land - Current Approved Budget 2016/17 to 2019/20

Type of Capital Expenditure	Total Cost £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Major Site Refurbishments					
BLD039 FS Refurbishment Heswall	350,000	350,000			
BLD055 FS Refurbishment Bromborough	350,000		350,000		
BLD063 FS Refurbishment Kirkby	350,000	350,000			
BLD070 Workshop Enhancement	100,000	100,000			
BLD071 Station Refresh	100,000	25,000	25,000	25,000	25,000
BLD084 FS Refurbishment Croxteth	300,000	150,000			150,000
BLD085 FS Refurbishment Speke/Garston	300,000	50,000	250,000		
BLD086 FS Refurbishment Old Swan	300,000	50,000		250,000	
BLD087 FS Refurbishment City Centre	150,000	150,000			
BLD088 FS Refurbishment Kensington	40,000	40,000			
BLD089 FS Refurbishment Toxteth/Hub - Fire Station Element	100,000				100,000
BLD089 FS Refurbishment Toxteth/Hub - Hub Element	100,000				100,000
BLD090 FS Refurbishment Wallasey	25,000	25,000			
BLD093 Refurbishment MF1	150,000				150,000
BLD016 Community Station Investment	100,000	25,000	25,000	25,000	25,000
TDA001 Fire House Refurbishment	30,000	30,000			
BLD091 Refurbishment TDA	1,000,000		1,000,000		
	3,845,000	1,345,000	1,650,000	300,000	550,000
Station Mergers					
BLD080 Prescot FS New Build (CFO/095/14)	4,350,000	4,350,000			
BLD082 Saughall Massie FS New Build (CFO/058/15)	4,000,000	3,000,000	1,000,000		
BLD083 St Helens FS New Build (CFO/059/15)	5,250,000	4,250,000	1,000,000		
	13,600,000	11,600,000	2,000,000	0	0
Other					
BLD073 SHQ Museum	191,000	191,000			
	191,000	191,000	0	0	0
LLAR Accommodation Works					
BLD036 LLAR Accommodation Formby	310,000	310,000			
BLD075 LLAR Accommodation Newton-le-Willows	310,000	310,000			
	620,000	620,000	0	0	0
General Station Upgrade Works					
BLD001 Roofs & Canopy Replacements	160,000	40,000	40,000	40,000	40,000
BLD004 Concrete Yard Repairs	80,000	20,000	20,000	20,000	20,000
BLD005 Tower Improvements	48,000	18,000	10,000	10,000	10,000
BLD013 Non Slip Coating to Appliance Room Floors	130,000	40,000	30,000	30,000	30,000
BLD014 Boiler Replacements	60,000	15,000	15,000	15,000	15,000
BLD020 Electrical Testing	100,000	30,000	30,000	20,000	20,000
BLD031 Diesel Tanks Slip	130,000	130,000			
BLD033 Sanitary Accommodation Refurbishment	100,000	30,000	30,000	20,000	20,000
BLD044 Asbestos Surveys	70,000	25,000	25,000	10,000	10,000
BLD060 DDA Compliance	190,000	100,000	50,000	20,000	20,000
	1,068,000	448,000	250,000	185,000	185,000
Other Works					
BLD007 L.E.V. System in Appliance Rooms	20,000	5,000	5,000	5,000	5,000
BLD018 Conference Facilities SHQ	25,000	10,000	5,000	5,000	5,000
BLD026 Corporate Signage	20,000	5,000	5,000	5,000	5,000
BLD032 Power Strategy	50,000	20,000	10,000	10,000	10,000
BLD034 Office Accommodation	70,000	25,000	15,000	15,000	15,000
BLD058 HVAC - Heating, Ventilation & Air Con	110,000	30,000	30,000	25,000	25,000
BLD061 Lightning Conductors & Surge Protection	40,000	10,000	10,000	10,000	10,000
BLD062 Emergency Lighting	20,000	5,000	5,000	5,000	5,000
BLD067 Gym Equipment Replacement	120,000	40,000	40,000	20,000	20,000
CON001 Energy Conservation Non-Salix	100,000	25,000	25,000	25,000	25,000
EQU002 Replacement Programme for Fridge Freezers	40,000	10,000	10,000	10,000	10,000
EQU003 Furniture Replacement Programme	42,000	10,500	10,500	10,500	10,500
	657,000	195,500	170,500	145,500	145,500
	19,981,000	14,399,500	4,070,500	630,500	880,500

Fire Safety - New Starts 2016/17 to 2020/21

Type of Capital Expenditure	Total Cost £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
FIR002 Smoke Alarms	100,000		(50,000)	(50,000)	(50,000)	250,000
FIR005 Installation costs (HFRA)	150,000		(75,000)	(75,000)	(75,000)	375,000
FIR006 Deaf Alarms (HFRA)	25,000					25,000
	275,000	0	(125,000)	(125,000)	(125,000)	650,000

Fire Safety - Current Approved Budget 2016/17 to 2019/20

Type of Capital Expenditure	Total Cost £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
FIR002 Smoke Alarms	1,200,000	300,000	300,000	300,000	300,000
FIR005 Installation costs (HFRA)	1,800,000	450,000	450,000	450,000	450,000
FIR006 Deaf Alarms (HFRA)	100,000	25,000	25,000	25,000	25,000
FIR009 Fire Risk Management in Residential Blocks (CFO/135/13)	200,000	200,000			
	3,300,000	975,000	775,000	775,000	775,000

ICT - New Starts 2016/17 to 2020/21

Type of Capital Expenditure	Total Cost £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
<u>New Emergency Services Network (ESN)</u>						
ESN Radios / Infrastructure - Estimate	250,000		250,000			
<u>IT002 ICT Software</u>						
Software Licences	2,000					2,000
Microsoft EA Agreement	260,000	80,000	80,000	(120,000)	80,000	140,000
Antivirus and Filtering Mobile Control Licenses	14,000		14,000			
	276,000	80,000	94,000	(120,000)	80,000	142,000
<u>IT003 ICT Hardware</u>						
PC, Monitor and Laptop replacement (target 20%)	70,000					70,000
PC, Monitor and Laptop growth	5,000					5,000
Peripherals replacement (target 20%)	6,000					6,000
Tablets (Ipads)	30,000					30,000
Audio Visual Conference Facility	120,000					120,000
	231,000	0	0	0	0	231,000
<u>IT005 ICT Servers</u>						
Server/Storage replacement (target 20%)	65,000					65,000
Server/Storage growth	25,000					25,000
	90,000	0	0	0	0	90,000
<u>IT018 ICT Network</u>						
Local Area Network replacement (discrete)	4,000					4,000
Network Switches/Router growth	5,000					5,000
	9,000	0	0	0	0	9,000
<u>IT026 ICT Operational Equipment</u>						
Pagers/Alerters	7,000					7,000
Station End Kit	5,000					5,000
MDT Replacement (Not incl. in ESMCP)	120,000					120,000
	132,000	0	0	0	0	132,000
<u>Other IT Schemes</u>						
IT027 ICT Security - Remote Access Security FOBS	2,000					2,000
IT028 System Development (Portal)	25,000					25,000
IT030 ICT Projects/Upgrades Rolling Budget	5,000					5,000
IT055 C.3.I. C.&C Communication & Inf System	15,000					15,000
	47,000	0	0	0	0	47,000
	1,035,000	80,000	344,000	(120,000)	80,000	651,000

ICT - Current Approved Budget 2016/17 to 2019/20

Type of Capital Expenditure	Total Cost £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
IT002 <u>ICT Software</u>					
Software Licences	8,000	2,000	2,000	2,000	2,000
New Visualistaion Infrastructure	75,000			75,000	
3 Year Licences Antivirus & Filtering	155,000		155,000		
Microsoft EA Agreement (Servers & Security)	240,000	60,000	60,000	60,000	60,000
Microsoft EA Agreement (Office Desktop)	200,000			200,000	
	678,000	62,000	217,000	337,000	62,000
IT003 <u>ICT Hardware</u>					
PC, Monitor and Laptop replacement (target 20%)	310,000	80,000	80,000	80,000	70,000
PC, Monitor and Laptop growth	20,000	5,000	5,000	5,000	5,000
Periherals Replacement (target 20%)	24,000	6,000	6,000	6,000	6,000
Tablets (Ipads)	60,000			30,000	30,000
LFS Laptops	40,000	40,000			
IP TV Asset Refresh	50,000				50,000
	504,000	131,000	91,000	121,000	161,000
IT005 <u>ICT Servers</u>					
Server/storage replacement (target 20%)	260,000	65,000	65,000	65,000	65,000
Server/storage growth	70,000	15,000	15,000	15,000	25,000
New SAN Solution	100,000	100,000			
	430,000	180,000	80,000	80,000	90,000
IT018 <u>ICT Network</u>					
Local Area Network replacement (discrete)	16,000	4,000	4,000	4,000	4,000
Network Switches/Routers replacement	270,000	60,000	100,000	110,000	
Network Switches/Router growth	20,000	5,000	5,000	5,000	5,000
Network Switches/Router - Additional for JCC/TDA Resilience	10,000				10,000
Vesty Road Network Link Refresh	40,000				40,000
IP Telephony	100,000	100,000			
Wireless Network	40,000	40,000			
	496,000	209,000	109,000	119,000	59,000
IT026 <u>ICT Operational Equipment</u>					
Pagers/Alerters	28,000	7,000	7,000	7,000	7,000
Station End Kit	20,000	5,000	5,000	5,000	5,000
Incident Ground Management System	50,000	50,000			
	98,000	62,000	12,000	12,000	12,000
<u>Other IT Schemes</u>					
IT027 ICT Security - Remote Access Security FOBS	8,000	2,000	2,000	2,000	2,000
IT028 System Development (Portal)	93,000	18,000	25,000	25,000	25,000
IT030 ICT Projects/Upgrades	20,000	5,000	5,000	5,000	5,000
IT040 Integrated Planning & Performance M.S.	14,000	14,000			
IT055 C.3.I. C.&C Communication & Information System	60,000	15,000	15,000	15,000	15,000
	195,000	54,000	47,000	47,000	47,000
	2,401,000	698,000	556,000	716,000	431,000

Operational Equipment - New Starts 2016/17 to 2020/21

Type of Capital Expenditure	Total Cost £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
<u>OPS003 Hydraulic Rescue Equipment</u>						
Hydraulic Rescue Equipment - Replacement Programme	85,000					85,000
	85,000	0	0	0	0	85,000
<u>Other Operational Equipment</u>						
OPS022 Improvements to Fleet	30,000					30,000
OPS034 Operational Ladders	16,000					16,000
OPS039 Water Delivery Hoses	10,000					10,000
	56,000	0	0	0	0	56,000
<u>Hydrants</u>						
HYD001 Hydrants (New Installations)	18,500					18,500
HYD002 Hydrants (Replacements)	18,500					18,500
	37,000	0	0	0	0	37,000
	178,000	0	0	0	0	178,000

Operational Equipment - Current Approved Budget 2016/17 to 2019/20

Type of Capital Expenditure	Total Cost £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<u>OPS003 Hydraulic Rescue Equipment</u>					
Hydraulic Rescue Equipment - Replacement Programme	155,000		75,000		80,000
	155,000		75,000		80,000
<u>OPS005 Resuscitation Equipment</u>					
Resuscitation Rescue Equipment	30,000				30,000
Defibrillator Batteries	12,000			12,000	
Appliance Resuscitation Equipment & Cylinders	30,000				30,000
	72,000			12,000	60,000
<u>OPS024 BA Equipment/Communications</u>					
BA Cylinder Replacement	30,000	30,000			
Replacement of Hand Held Communication Radios	115,000	100,000	15,000		
BA Telemetry Breathing Units	45,000		45,000		
BA Test Rig	12,000			12,000	
Oxygen Booster Pumps	12,000			12,000	
ESAS, Badoliers & Air Line Reducers	45,000			45,000	
	259,000	130,000	60,000	69,000	
<u>OPS049 Bulk Foam Equipment</u>					
Bulk Foam Attack Equipment	73,000	48,000	25,000		
Bulk Foam Stock	70,000			70,000	
	143,000	48,000	25,000	70,000	
<u>Other</u>					
OPS001 Gas Tight Suits Other PPE	150,000		150,000		
OPS009 POD Equipment (Demountable Unit Refurb)	75,000	75,000			
OPS011 Thermal Imaging Cameras	165,000				165,000
OPS022 Improvements to Fleet	110,000	20,000	30,000	30,000	30,000
OPS023 Water Rescue Equipment	190,000	90,000	50,000	50,000	
OPS026 Rope Replacement	35,000				35,000
OPS027 Light Portable Pumps	20,000	20,000			
OPS034 Operational Ladders	58,000	16,000	13,000	16,000	13,000
OPS036 Radiation Detection Equipment	45,000	45,000			
OPS038 Water Delivery System	52,000	52,000			
OPS039 Water Delivery Hoses	20,000			10,000	10,000
OPS054 Electrical Equipment	35,000			30,000	5,000
	955,000	318,000	243,000	136,000	258,000
<u>Hydrants</u>					
HYD001 Hydrants (New Installations)	74,000	18,500	18,500	18,500	18,500
HYD002 Hydrants (Replacements)	74,000	18,500	18,500	18,500	18,500
	148,000	37,000	37,000	37,000	37,000
	1,732,000	533,000	440,000	324,000	435,000

Vehicles - New Starts 2016/17 to 2020/21

Type of Capital Expenditure	Price Per Unit	Total		2016/17		2017/18		2018/19		2019/20		2020/21	
		Units	Cost £	Units	£	Units	£	Units	£	Units	£	Units	£
VEH002													
Dog Van Mercedes Vito	49,750	1	49,750		0		0		0		0	1	49,750
4x4 SMA/IIT	26,250	9	236,250		0		0		0		0	9	236,250
			286,000		0		0		0		0		286,000
VEH004													
Prime Movers 3	144,550	2	289,100	2	289,100		0		0		0		0
CPL - Aerial Appliance	650,000	1	650,000	1	650,000		0		0		0		0
Mercedes IMU	105,000	1	105,000		0		0		0		0	1	105,000
MF1 Boat	300,000	1	300,000		0		0		0		0	1	300,000
Relief Boat	150,000	1	150,000		0		0		0		0	1	150,000
MF1 Boat Refurbishment			65,000		65,000		0		0		0		0
			1,559,100		1,004,100		0		0		0		555,000
VEH001 - Fire Appliances	260,000	3	780,000		0		0		0		0	3	780,000
			2,625,100		1,004,100		0		0		0		1,621,000

Vehicles - Current Approved Budget 2016/17 to 2019/20

Type of Capital Expenditure	Price Per Unit	Total		2016/17		2017/18		2018/19		2019/20	
		Units	Cost £	Units	£	Units	£	Units	£	Units	£
<u>VEH002 Ancillary Vehicles</u>											
<u>Cars</u>											
Car 1 (5 door - Fiesta/Corsa)	9,500	21	199,500	21	199,500						
Car 2 (5 door - Fiesta/Corsa)	12,000	3	36,000							3	36,000
Officer Response Car 1	22,000	2	44,000	2	44,000						
Officer Response Car 2	26,000	2	52,000			2	52,000				
Officer Response Car 3	20,000	2	40,000					2	40,000		
7 Seater Galaxy	23,000	2	46,000					2	46,000		
Car - Automatc	25,000	1	25,000			1	25,000				
4x4 (Isuzu/Hilux)	27,000	4	108,000			2	54,000			2	54,000
4x4 SMA/IIT	23,000	2	46,000			2	46,000				
4x4 (Climbing Wall Vehicle)	22,000	1	22,000					1	22,000		
<u>Vans</u>											
Small Vans (Fiesta/Corsa)	9,510	5	47,550	5	47,550						
Panel Van Renault Master 2	18,650	5	93,250	5	93,250						
Panel Van 2 Jumbo Van	25,000	2	50,000			2	50,000				
Ford Connect Van	10,500	6	63,000	4	42,000	2	21,000				
<u>Other</u>											
PCVs (Ford Transit 17 Seater)	23,200	3	69,600	3	69,600						
PCVs (Ford Transit 17 Seater)	24,000	3	72,000							3	72,000
			1,013,900		495,900		248,000		108,000		162,000
<u>VEH004 Special Vehicles</u>											
<u>CPLs</u>											
Aerial Appliance 1	650,000	1	650,000	1	650,000						
<u>Other</u>											
Prime Movers 1	98,000	1	98,000	1	98,000						
IMU	600,000	1	600,000	1	600,000						
BA Support Unit (POD)	125,000		50,000		50,000						
Water Rescue Unit	45,000	1	45,000	1	45,000						
			1,443,000		1,443,000						
<u>Other Vehicles</u>											
Fire Appliances - £245,000 to £260,000		14	3,500,000	3	730,000	4	980,000	3	750,000	4	1,040,000
Vehicles Water Strategy (2 Engines)			16,400		16,400						
			3,516,400		746,400		980,000		750,000		1,040,000
<u>WOR001 Workshop Equipment</u>											
Workshop Equipment vehicle Lift.	19,000	1	19,000							1	19,000
Two Post Light Vehicle Lift.	6,000	1	6,000							1	6,000
			25,000								25,000
			5,998,300		2,685,300		1,228,000		858,000		1,227,000

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2016/17 - 2019/20 MTFP

	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000
Current Approved Plan Forecast	62,812	64,762	66,512	68,262
2016/17 Issues				
Growth required to cover 0.5% levy for national apprenticeship programme		200	200	200
Sec 31 Grant for restricted small business NNDR increase	1	1	1	1
Sec 31 Grant to cover subsidised local NNDR (NNDR1 Section C grants)	-140			
2016/17 Financial Plan Expenditure Forecast	62,673	64,963	66,713	68,463
Funding				
Government Funding - Settlement Funding Assessment				
Baseline Funding -Business Rates / Top-up	-18,428	-18,791	-19,345	-19,963
RSG (2016/17 - 2019/20)	-16,523	-13,664	-12,050	-11,000
Government Funding - Settlement Funding Assessment	-34,951	-32,455	-31,395	-30,963
Adjustment for District Local Business Rate income forecast	25	0	0	0
Council Tax (assuming +2% increase in precept p.a.)	-24,968	-25,469	-25,978	-26,500
Council Tax Base (increase) / decrease	-966	-985	-1,005	-1,023
Council Tax / Business Rates - Collection Fund (surplus)/deficit	-647			
Council Tax	-26,581	-26,454	-26,983	-27,523
Updated Income Forecast	-61,507	-58,909	-58,378	-58,486
Forecast Net Position (surplus) / deficit (after CT Base increase)	1,166	6,054	8,335	9,977
Saving Proposals:-				
Pay Strategy:				
Change Pay Assumption from 2% to 1% over 2016/17 - 2019/20 period				
2016/17	-450	-500	-500	-500
2017/18	0	-450	-500	-500
2018/19	0	0	-450	-500
2019/20	0	0	0	-450
Review long term FPS Employer Budget	0	-180	-255	-375
Review NI increase following SERPS changes	0	-125	-125	-125
Council Tax – Tax Base:				
Assume increase of 0.5% in 2016/17 base from 2017/18	0	-125	-125	-125
Non-Employee and Technical saving options:				
Review Non-Employee Budgets	-350	-350	-350	-350
Review MRP payments	0	-500	-675	-825
Review Inflation for non-employee / cash limit budgets	-198	-500	-650	-728
Support Staff & Senior Management	-499	-1,249	-1,499	-1,499
Operational Response Staff Saving	0	-1,000	-2,800	-4,000
Use of Smoothing Reserve	331	-1,075	-406	0
Forecast Net Position (surplus) / deficit after savings	0	0	0	0

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MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	AUTHORITY BUDGET MEETING		
DATE:	25 FEBRUARY 2016	REPORT NO:	CFO/012/16
PRESENTING OFFICER	CHIEF FIRE OFFICER		
RESPONSIBLE OFFICER:	DAVE MOTTRAM	REPORT AUTHOR:	GM PAUL HITCHEN
OFFICERS CONSULTED:			
TITLE OF REPORT:	EMERGENCY MEDICAL RESPONSE TRIAL		

APPENDICES:	APPENDIX A:	NJC CIRCULAR 13/16
	APPENDIX B:	MEMORANDUM OF UNDERSTANDING
	APPENDIX C:	CARDIAC ARREST MPDS CODE SET

Purpose of Report

1. This report provides Members with an update on the introduction of a co-responding trial between Merseyside Fire & Rescue Authority (MFRA) and Northwest Ambulance Service (NWS) as part of the ongoing Blue Light collaboration work. The trial will involve a joint emergency response to cardiac arrest incidents by MFRA and NWS. The report details the work undertaken to enable the six month trial beginning in February 2016 in line with NJC Circular 13/15.

Recommendation

2. That Members note the contents of the report.

Introduction and Background

3. As part of the FRA national pay settlement in 2014 the NJC agreed to set up five work streams to examine the future role of the firefighter. One of the work streams addressed collaboration with the Health Service and specifically covered co-responding - the details of which are contained within NJC Circular 13/15 (attached as Appendix A).
4. NJC circular 13/15 invites FRAs to submit applications to undertake co-responding trials and in response to the invitation MFRA submitted an application to be one of the trial Services. The circular advises that FRAs need to discuss the trial with local trade union representatives and states the intention that all trials should be completed by early June 2016 at the latest after which the outcomes will be considered by the NJC. Following extensive discussions between officers with MFRS and NWS representative bodies'

agreement was reached on 20th November 2015 for all MFRA fire stations to participate in the trial.

5. For the purposes of the co-responding trial with NWS, MFRA will only respond to category RED1 (999 or 112) calls to patients whose condition is immediately life threatening as a result of cardiac or respiratory arrest. Further details of these calls are contained within appendix 1 of the MOU which is appended to this report (Appendix B).
6. It is the Authority's intention to deliver a trial with NWS that is projected to conclude in line with the terms of NJC circular 13/15 (Appendix A) on 31st June 2016. The trial is expected to commence during February 2016 and will be phased in over a six month period and will ultimately include all MFRA stations.

Training & Disclosure

7. Implementation will be via a rolling program and is subject to the completion by all firefighters and supervisory managers of First Person on Scene (FPOS) training. This training covers all aspects of trauma care that firefighters would be expected to deal with at a fire or RTC incident including basic life support. NWS have evaluated the course syllabus and content and have confirmed that it satisfies their requirements for response to RED 1 calls in support of Paramedics.
8. The first stations to begin the trial will be Southport, Croxteth, Wallasey Crosby, Eccleston, Speke, Toxteth, Birkenhead and Wallasey. Further stations will be added following completion of necessary training and EDBS checks.

Enhanced Disclosure and Barring Service Check (EDBS).

9. Staff will be required to undertake an Enhanced Disclosure and Barring (EDBS) check. The completion of an EDBS check is a requirement placed on NWS by the Department of Health for any agent operating on their behalf who is making a patient intervention. The Authority had already instigated a work stream to complete EDBS checks for all operational staff prior to the decision to engage in co-responding.
10. It is anticipated that between 3 and 4 stations per month will be ready to start responding to Red 1 calls from February onwards, subject to the successful completion of FPOS training and EDBS checks being carried out. It is therefore anticipated that all stations will be co-responding prior to the conclusion of the trial period.

Equipment & PPE

11. All fire appliances are equipped with trauma packs which include general first aid items plus enhanced equipment such as an automated external defibrillator, oropharyngeal airways, suction device, C-Spine collars and oxygen delivery equipment. NWS have confirmed that the equipment within the MFRA trauma

pack is suitable for use at co-responder incidents. Agreement has been reached with NWS, that when single use consumable items of equipment are used by MFRA crews when attending co-responding incidents, NWS will replace all consumables on a one for one basis at no cost to the Authority.

12. The Authority's standard issue working rig for firefighters which is worn under PPE when responding to fire calls is considered appropriate for use when co-responding, although this will be kept under review during the trial. Nitrile examination gloves and eye protection should be worn at all times when providing medical assistance, both of which are included as part of the personal issue PIC (personal infection control) packs.

Predicted Mobilisations

13. MFRA have been provided with 3 years of data by NWS. This data details the number and location of previous RED1 one incidents. The data has been analysed using MFRA incident response modelling software to provide a predicted impact assessment of how co-responding will affect MFRA's overall emergency response performance to life risk FRS incidents.
14. Data analysis indicates that if MFRA appliances responded to every RED 1 call received by NWS it would total (on average) 7 per day. The overall impact upon our current attendance to life risk incidents would be a reduction of 1.4% from the current 95.4% within 10 minutes to 94% within 10 minutes. Members will be aware that the current response standard for MFRA requires attendance to life risk incidents within 10 minutes on 90% of occasions. In terms of actual attendance times this would lead to a predicted actual attendance time of 6.3 minutes (on average) from a current 6.1 minutes including call handling and it assumes that a fire appliance would spend 28 minutes on average at each RED 1 call.
15. MFRA appliances will be included as part of a pre-determined attendance to RED 1 calls received by NWS in the Merseyside area. Emergency calls will be directed into Fire Control via existing phone line facilities and will include address and basic casualty details. This information will be used to create a co-responding incident within the Authority's mobilising system by Fire Control.
16. In the event that MFRS are experiencing high levels of activity the RED 1 call can be declined by Fire Control in order to maintain operational fire cover. NWS will mobilise their RED 1 PDA irrespective of any MFRA attendance and importantly this attendance will not be re directed regardless of MFRA attendance.
17. The trial will provide an opportunity to test the practical application of co-responding from MFRA's perspective, and also test the communication channels between MFRA and NWS. It will also more importantly evaluate the benefits of MFRA attendance to cardiac arrests on patient outcomes.

Risk Management

18. Risk assessments covering MFRA operational activities and safe systems of work are already in place and are suitable for crews attending co-responding calls. An activity specific risk assessment has been carried out and quality assured by the Health & Safety Department.
19. Currently there are no requirements for MFRA staff to be immunised for any work related tasks. As a result of this trial an evaluation of the Authority's current position on immunisation has been undertaken by officers and in conjunction with our Consultant Occupational Physician. The conclusion is that a Hepatitis B immunisation is not a requirement, as our current control measures mitigate any potential risks. However following consultation with representative bodies the Authority has agreed to provide immunisation against Hepatitis B to any members of operational staff who may request it.

Consultation

20. Consultation with staff representative bodies has been extensive including numerous joint station visits undertaken by officers, NWS colleagues and representative bodies from both organisations. A joint frequently asked questions document has been provided for our staff and updated frequently, following meetings between senior service managers, NWS managers, the FBU, the FOA and NWS representative bodies (UNISON and UNITE).

Equality and Diversity Implications

21. This report does not have any direct impact on the MFRA response to any one within the equality protected groups in Merseyside. The emergency medical responses will cover all members of the public regardless of their protected group (except those 12 years and under) and this must be seen as a positive improvement on current response times, critical to saving life . There are no perceived equality and diversity issues to consider in relation to those staff delivering the EMR at this stage of the trial. The SI has been discussed with the Diversity and Consultation Manager through the EIA process.
22. An interim equality Impact Assessment has been completed and is attached at Appendix C

Staff Implications

23. Extensive consultation and communication has taken place with staff.
24. All staff will, prior to co-responding, have received training to ensure they are able to respond to cardiac arrest incidents as a co-responder.
25. The Service has invested in advanced and specialised training aids which assist with skills development and assessment of basic life support and CPR.

Legal Implications

26. The memorandum of understanding between MFRA and NWAS has been jointly agreed by the MFRA legal department and NWAS and has been signed off.
27. The MFRA legal team has confirmed that the Authorities existing indemnity provides cover for this activity for operational members of staff.
28. The Authorities insurers have confirmed that the activity that will be undertaken as part of a co-responding call is covered by the existing insurance policy.

Financial Implications & Value for Money

29. The Service originally had planned to complete FPOS training over a 3 year period, however the requirement for all firefighters to undertake FPOS training to partake in the trial has necessitated some costs being brought forward from future planned training budgets. As this is existing planned expenditure it can be contained within existing planned training budgets. The total cost of FPOS training will be approximately £180k
30. In the event that all operational members of staff take up the option of being vaccinated against Hepatitis B the total cost would be £50,500. The current uptake from staff stands at 171 which will cost £17,271.
31. The cost of EDBS checks and yearly updates is currently £40,584.
32. For the purposes of the trial there are no plans to seek financial remuneration from the NWAS. NWAS will however replace consumable items of first aid equipment following incidents.

Risk Management, Health & Safety, and Environmental Implications

33. Contained within paragraphs 18,19,25,26.

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

34. Studies into survival rates of out of hospital cardiac arrest confirm that early intervention and delivery of CPR and defibrillation alongside a team based approach to ensure high quality CPR significantly improve survivability.
35. This initiative between MFRA and NWAS will provide the public of Merseyside with the best possible service and aims to improve survivability rates for out of hospital cardiac arrest.

BACKGROUND PAPERS

GLOSSARY OF TERMS

SMG:	Strategic Management Group
MFRA:	Merseyside Fire & Rescue Authority
IRS:	Incident Recording System
FRS:	Fire & Rescue Service
Learnpro:	The services e learning platform
FPOS:	First Person on Scene (first aid and resuscitation training)
EDBS:	Enhanced disclosure & barring check
CPR:	Cardio Pulmonary Resuscitation
NWAS:	Northwest Ambulance Service
PIC Packs:	Personal Infection Control packs, issued to all staff as a control measure for use when casualty handling.
RED 1 Call:	NWAS highest call category.

Appendix A NJC Circular 13/16

Employers' Secretary, Simon Pannell
Local Government House, Smith Square,
London, SW1P 3HZ
Telephone 020 7187 7335
E-mail: firequeries@local.gov.uk
Employees' Secretary, Matt Wrack
Bradley House, 68 Coombe Rd
Kingston upon Thames KT2 7AE
Telephone 020 8541 1765

NATIONAL JOINT COUNCIL
FOR LOCAL AUTHORITY
FIRE AND RESCUE SERVICES

—

To: Chief Fire Officers
Chief Executives/Clerks to Fire Authorities
Chairs of Fire Authorities
Directors of HR (Fire Authorities)
Members of the National Joint Council

14 July 2015
CIRCULAR NJC/13/15
Dear Sir/Madam,
PAY, TERMS AND CONDITIONS WORKSTREAMS: EMERGENCY MEDICAL RESPONSE
WORKSTREAM TRIALS

Background

1. You will be aware that the NJC is committed to working jointly on changes identified by each Side to ensure that there is a pay framework alongside terms and conditions in the fire and rescue service which reflect the responsibilities of, and current and future demands on, the service and the profession, which includes:
 - The increasing need to consider how the workforce's skills and commitment can best be utilised, including the type of activities undertaken, any additional functions that may be required and the implications of this for the nationally agreed role maps
 - the potential to build upon, and expand, this piece of work to encompass a more wide-ranging and strategic look to the future taking into account the matters of interest in England, Scotland, Wales and Northern Ireland.
2. Circular NJC/7/15 provided an update on phase one of this work, which included reports from the five work streams that had looked at specific areas. The circular also made reference to the anticipation that in moving forward with the area of emergency medical response this would include a number of trials, taking into account the issues raised by the emergency medical response work stream including co-responding.
3. In doing so it was recognised that whilst co-responding work is undertaken in a number of FRSs at present not all ambulance trusts wished to take part in such work. Therefore as part

of its work the work stream contacted the Association of Ambulance Chief Executives (AACE) and the College of Paramedics (CoP). This has paved the way and helped prompt substantive discussion within the AACE that's led to an internal national survey of co-responding schemes of which we understand the initial feedback is positive in favour of rolling this out on a wider scale. The response from CoP was also positive supporting any organised and approved initiative(s) that through first and early responses could save life or reduce suffering and anxiety prior to the arrival of paramedical services.

Current position

4. The work stream defined co-responding as a scheme 'whereby appropriately trained and equipped FRS staff are mobilised to medical emergencies (as agreed with an NHS ambulance service) as part of a joint FRS/NHS response'.

5. The current position is that co-responding is carried out in some, but not all, FRSs by employees on a voluntary basis. The conclusion of the work stream was that co-responding is an activity that could be undertaken more widely by firefighters in general, and in FRSs who wish to do so, subject to:

a) The provision of appropriate training for example those suggested by the College of Paramedics below, or equivalent:

☐ An Appointed Person First Aid Course, in accordance with the Health and Safety (First Aid)

☐ First Person on Scene (FPOS) course

☐ Another approved course of instruction for example that offered by some ambulance services (e.g. 5 day Immediate Emergency Care Responder (IECR) course)

b) The provision of appropriate equipment (including replenishment of medical equipment).

c) Assurance that undertaking such work does not alter a firefighter's pension or compensation scheme entitlement. (Note - we understand that a key factor is undertaking such work as part of the core job rather than on a secondary contract basis).

d) Assurances are made at local level to ensure that personal liability and indemnity issues have been covered.

e) Call handling – the appropriate level of response to a medical emergency should be agreed with the ambulance services. This would include the ambulance service dispatching the ambulance resources simultaneously and having jointly agreed safeguards.

6 The potential for the detailed introduction of co-responding will be considered as part of phase two of this work, which may lead to expanding the Role maps or treating co-responding as an additional responsibility.

7. The work stream also made reference to wider work that would be of value to the community and which in some cases would build upon collaborative working with other organisations. Some examples referred to by the work stream included:

- working in conjunction with police and ambulance services, providing a response to high volume, low priority calls, such as falls in the home and incidents relating to mental health whilst also promoting the reduction of risk. Risk reduction to be delivered through a prevention/education service in the homes of those identified as being 'at risk' from a range of issues such as fire, falls, crime and general deterioration in health and wellbeing.

☐ Assisting health services in the movement of bariatric patients

- Training in the use of defibrillators (for example) to the wider community

- Road safety awareness provision for new drivers, speed safety awareness courses for those caught speeding (currently undertaken, for example, by the AA and police)

- Fire stations being open to the wider community for a number of health related initiatives including; fitness training, engagement with the elderly

- Safe fitting of car child seats

Trials

8. Agreement has now been reached to put in place a number of trials.
9. In order to facilitate such trials it is jointly recognised that such work will be regarded as part of the core job for the duration of the trial in each of the respective trial fire authorities.
10. In order to further inform NJC considerations under paragraph 1 above, trial FRAs will be asked to monitor and provide the data set out in paragraph 11 below, when requested to do so.

Expressions of interest.

11. The NJC is now inviting expressions of interest from fire authorities wishing to take part in a trial. Those wishing to do so are asked to respond in writing to firequeries@local.gov.uk (please indicate 'trial' in the subject heading alongside the name of your FRA):

(a) In the case of co-responding correspondence will need to:

- ☐ set out how each of the points in paragraph 5 above will be met;
- ☐ indicate whether the trial will be across the service or contained to a particular area within the service;
- ☐ indicate the duration of the trial;
- ☐ indicate whether local discussion with recognised trade unions has taken place
- ☐ commit to the provision of data to the NJC, as and when requested. The following monitoring data will therefore need to be recorded –
 - A. the number of co-responding calls undertaken, on a monthly basis
 - B. the proportion (a) represents of all incidents responded to within the service/trial area within the respective month
 - C. the breakdown of (a) responded to by whole time or by retained duty system staff
 - D. information on outcomes e.g. lives saved
 - E. percentage of the estimated cost of providing a co-responding response that is being met from external sources

(b) In the case of wider work, correspondence will need to:

- ☐ set out the type of work to be undertaken;
- ☐ confirm that appropriate training and equipment will be provided;
- ☐ confirm how the assurances in respect of paragraphs 5(c) and 5(d) above will be met;
- ☐ indicate whether the trial will be across the service or contained to a particular area within the service;
- ☐ indicate the duration of the trial;
- ☐ indicate whether discussion with recognised trade unions has taken place;
- ☐ commit to the provision of data to the NJC, as and when requested. The following monitoring data will therefore need to be recorded –
 - A. the number of occurrences attended, on a monthly basis
 - B. the proportion (a) represents of all incidents responded to within the service/trial area within the respective month
 - C. the breakdown of (a) responded to by whole time or by retained duty system staff
 - D. information on outcomes e.g. numbers of people trained (e.g. in use of defibrillators), number of car seats fitted, number of bariatric patients moved etc.
 - E. percentage of the estimated costs of providing such support that is being met from external resources.

12. Interested FRAs are asked to respond as soon as possible. It is recognised that an FRA may not be ready immediately to put a trial in place because, for example, further discussion on governance arrangements are required with the local ambulance trust. If that is the case, but your FRA will wish to do so, please provide now an indication of the date by which you


expect to put forward a completed expression of interest. Please note the NJC trial period will conclude by the end of June 2016 and approved trials will be reviewed between April and the end of June 2016 to assess progress.

Yours faithfully,

SIMON PANNELL
MATT WRACK

Joint Secretaries



North West Ambulance Service 
NHS Trust

MEMORANDUM OF UNDERSTANDING

A collaborative working agreement between

NWAS NHS Trust

and

Merseyside Fire and Rescue Authority

Recommended by	Andrew Redgrave
Approved by	
Approval Date	

Version Number	FINAL 1.8
Review Date	December 2015
Responsible Director	Executive Medical Director
Responsible Manager (Sponsor)	Dave Kitchen, Head of Service, CAM Area
For use by	Merseyside Fire and Rescue Authority

CHANGE RECORD FORM

Version	Date of change	Date of release	Changed by	Reason for change
1.0	22/4/15		A.Redgrave	Creation of document
1.1	29/4/15		A.Redgrave	Comments from GMFRS
1.2	29/4/15		A.Redgrave	Comments from DS (consultant para GMA)
1.3	29/4/15		A.Redgrave	Inclusion of Appendix 1- MPDS Codeset
1.4	29/4/15		A.Redgrave	Comments from meeting with GH (GMFRS)
1.5	01/05/2015		S.Hynes	Updated.
1.6	12/05/2015		S.Hynes	Comments from NWS, GMFRS, UNISON, FBU
1.7	26/06/2015		S.Hynes / A.Redgrave	Updated for Final Draft.
FINAL DRAFT	26/06/2015	26/06/2015	S.Hynes	Final Draft distributed to NWS & GMFRS for Governance Sign Off.
FINAL	14/07/2015	14/07/2015	S.Hynes	Updated with final codes and appendix for Mobilisation and PRF.
FINAL	21/12/15		M Dunn	Amended for Merseyside Fire and Rescue Authority

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1. Introduction & Clinical Basis

April 2015 senior managers from MFRA and NWAS met to explore opportunities for life saving response collaboration. A key area of interest was how the Seattle model of Emergency Medical Services (EMS) could be applied within Merseyside. There was universal acknowledgement that Basic Life Support duties could be provided by appropriately trained MFRS Firefighters, when responding to cardiac arrest incidents, whilst Advanced Life Support duties would continue to be provided by the professional medical staff of NWAS. This enhancement would complement the already professional service provided by NWAS; in no way would it ever be developed to replace an ambulance response. Evidence available demonstrates by using Firefighters to provide the initial Basic Life Support in cardiac arrest incidents survival rates could be dramatically increased. NWAS and MFRA, in the interests of the people of Merseyside, have agreed to pursue the creation of procedures that will save many more lives through early application of Cardio Pulmonary Resuscitation (CPR) and Automatic External Defibrillation (AED). This Memorandum of Understanding (MoU) outlines the arrangements and the relationship between the North West Ambulance Service NHS Trust and Merseyside Fire and Rescue Authority to operate a MFRA responder schemes within the Merseyside area. This document will also outline the role and responsibilities of the MFRA responders.

This memorandum is binding in honour only and is not intended to be a contract of employment.

The proposal is to look at a new solution that does not replace ambulance crews but complements the service they provide, and facilitates a new collaborative approach across Merseyside. It will deliver against the aspirations of NHS England, Government and local authorities for improved collaborative working across all blue light services.

The MoU outlines the arrangement and the relationship for NWAS to deploy MFRA firefighters trained and equipped with defibrillators in a live environment on fire appliances with blue light response to cardiac arrest codes as defined by NWAS. The intention of this partnership is to strengthen the links in the chain of survival to become more robust to further enhance patient care, patient experience and patient outcomes from sudden out of hospital cardiac arrests.

The North West Ambulance Service and MFRA are committed to providing the highest quality of pre-hospital care and treatment of cardiac arrests. Research has shown that if a cardiac arrest victim is defibrillated immediately their chance of survival is 85%. These odds decrease by 10% for every minute that passes without treatment. At present in Merseyside the survival rate is less than 10%; our vision is to improve survival rates and to compete with other European Countries (Sweden and Denmark) and Seattle where survival rates are higher than 20%.

The challenge of delivering Basic Life Support (BLS) and defibrillation to patients suffering from a life-threatening condition in the first few minutes has brought about many changes in the "out of hospital" care environment. The evidence for improved survival from providing a robust "Chain of Survival" is clear.



NWAS is working to provide robust second and third links to the chain in the form of good Cardio Pulmonary Resuscitation (CPR) and early defibrillation by the use of MFRA in situations where they could be at the patient's side more quickly than the emergency ambulance response and certainly when this might take longer than 8 minutes to reach the patient. MFRA response standard to "Very High Life" risk incidents is five minutes, which they can achieve on 95% of occasions. The research evidence is clear; the longer a patient is in cardiac arrest and without any resuscitation attempted the lower the chances of response to treatment and survival.

This MOU is not a substitute for the primary emergency medical providers NWAS. It is intended that trained MFRA responders will attend all cardiac arrests, however the Ambulance Quality Indicator (AQI) recorded will be the time (Red 1) that the first NWAS resource arrives on scene.

When acting as Responders, suitably trained and equipped Fire-fighters from -MFRA will administer lifesaving medical treatment in the form of CPR and the utilisation of an Automated External Defibrillator (AED) and stabilise the situation until the advanced medical care personnel from NWAS arrive.

Except where stated otherwise, the clinical guidelines for attending cardiac arrests agreed between the parties will be defined by the NWAS Executive Medical Director and only varied to reflect the development of new clinical evidence or accepted clinical practice.

First Response systems have proven to be clinically effective and have formed an integral part of the immediate care system in some communities for many years. The Governance Framework outlined within this MOU is aimed at ensuring the safety of -MRFA Responders and patients through reducing potential risks and providing consistent, safe, supportive processes and systems of work.

The Trust has approved documentation which describes the process for managing the risks associated with responder schemes. As a minimum, the approved documentation must include a description of:

- a) Duties
- b) Selection arrangements including those required of stakeholder organisation
- c) Scope of practice
- d) Minimum standards of staff training which reflects national guidelines
- e) The organisations expectations in relation to periodic proficiency checking arrangements.
- f) requirement for storage of equipment
- g) ambulance control procedures
- h) processes for monitoring the effectiveness of all of the above
- i) Culpability Cover

This document addresses each of these issues with respect to the -MFRA First Responder scheme.

2. Administration & Management

The NWS Chief Executive and the Executive Management Team, along with the Chief Fire Officer and the Fire Authority will share overall responsibility for the -MFRA Responder Scheme.

Day-to-day operational management and monitoring is delegated to the Community Resuscitation managers, supported by the individual local -MFRA scheme coordinator.

Strategic clinical oversight is delegated to the NWS Assistant Medical Director (Service Delivery), working in partnership with the MFRA Director of Operational Response.

MFRA will have a named local Scheme Coordinator who will support their teams and act as a focal point for administration and communication with NWS. Agreement between each MFRA Coordinator and the relevant Community Resuscitation Manager will be reached over the distribution of responsibilities in this regard.

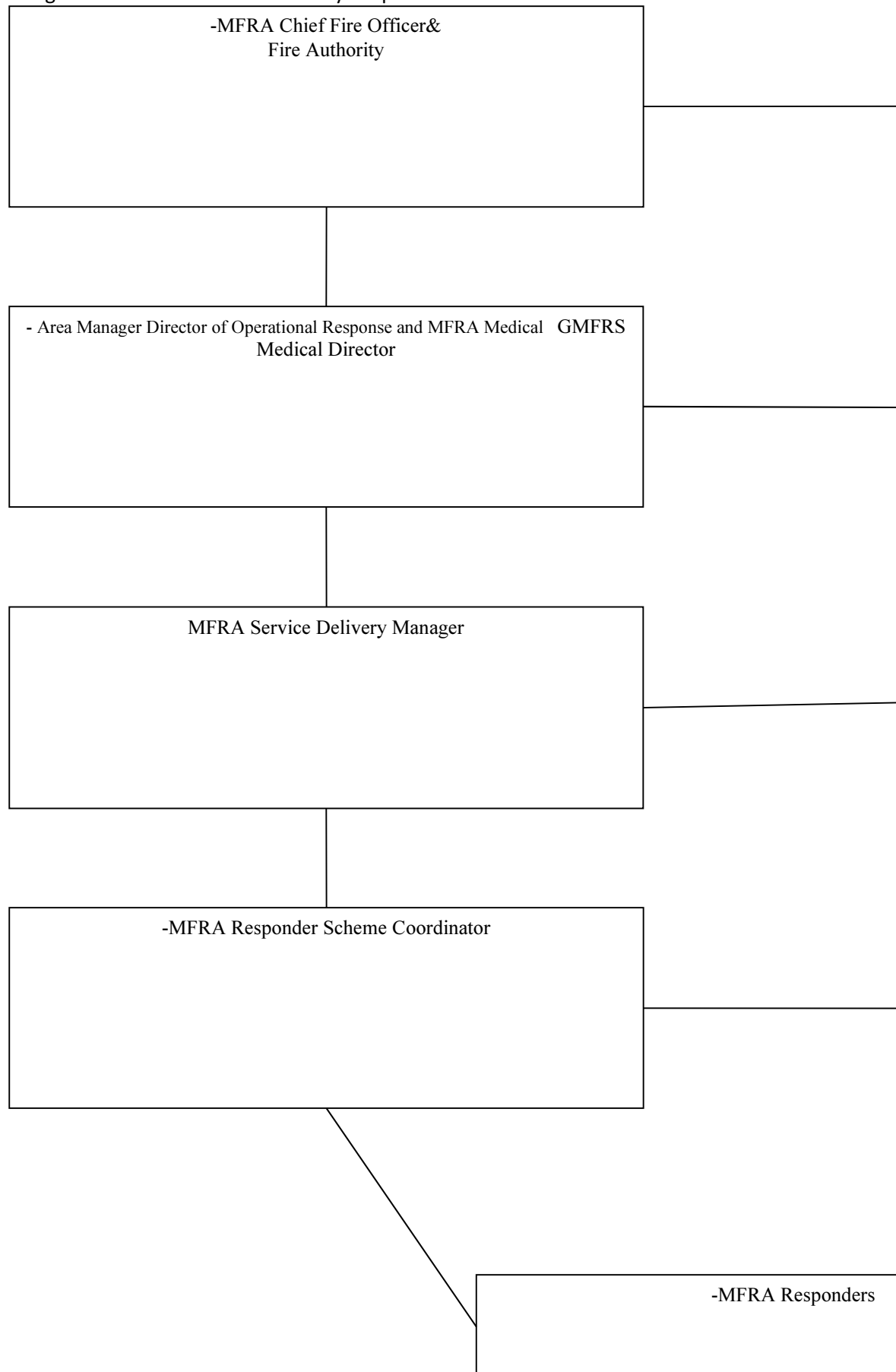
3. Accountability

This scheme has clear lines of accountability as defined by Figure 1. These schemes will be jointly managed by the MFRA and NWS.

This MOU is specifically for the Merseyside Fire and Rescue Authority Responder scheme. This scheme will be jointly managed by MFRA and NWS. MFRA will operate as agents of NWS whilst acting on its behalf. Any amendments required to this MOU will be presented to the 'Merseyside Collaboration Programme Board' for discussion and agreement.

Operations: The NWS Duty Control Room Manager shall be ultimately responsible for all decisions regarding deployment of medical resources including MFRA assets in line with this MOU. The senior NWS Clinician on scene shall be ultimately responsible for all clinical operations at the incident.

Figure 1: Management structure for Community Responders



NWAS Executive Management Team & -MFRA Chief Fire Officer

Accountable for the Trust's / FRS clinical governance arrangements including the quality and safety of care delivered by MFRA Responders

NWAS Director of Operations & Director of Operational Response

Responsibility for approving any clinical governance related policies, procedures or consequential Memoranda of Understanding (MoU). Will refer policies to the Trust Board for approval but will approve procedures and MoUs for implementation

NWAS & -MFRA Director of Operational Response

The Medical Directors will be delegated appropriate powers to be the Executive Director accountable for ensuring the Trust has a robust clinical governance framework for the delivery of care by -MFRA Responders.

NWAS Assistant Medical Director

The Assistant Medical Director (Service Delivery) will be responsible for overseeing the development and implementation of clinical guidelines and clinical procedures for MFRA.

NWAS –CAM Head of Service / Fire Service Strategic lead

Responsibility for the overall management of MFRA First Responders to include:-

- Management of the operational performance of the team
- Maintenance and oversight of the training requirements
- Identification of the requirement of post incident debriefing of/and performance feedback to MFRA Responders.
- Ensuring that all personnel have appropriate Occupational Health Support.
- Sanctioning any MFRA Responder related financial costs

NWAS Community Engagement Manager

Responsibility for all Community Resuscitation Teams and Complementary Resources responding on behalf of North West Ambulance Service

NWAS CAM Community Resuscitation Team Manager (CRT)

The Community Resuscitation Manager will be responsible for the day to day operational management of -MFRA Responders, in respect of links to NWAS, including the provision of any training and supporting the teams. They will be responsible for implementation of any policies, procedures or MoUs in relation to -MFRA Responders.

Responsibilities also include:-

- Effective liaison between -MFRA Responders and NWAS

- Ensuring that all MFRA Responders have undergone an 'enhanced' Disclosure and Barring Services check.
- Analysis of existing data to monitor and provide feedback on performance
- Scrutinising the frequency of calls
- Confirming welfare support arrangements for MFRA Responders through post incident debriefing

-MFRA Responders

When -MFRA staff are responding to cardiac arrests they will be required to adhere to relevant policies, procedures and MoUs, both clinical and non-clinical, which are approved by the NWS EMT when delivering care to patients on behalf of NWS.

4. The Role of the -MFRA Responders

When available to respond, the role of -MFRA Responders is to provide appropriate response and emergency aid, as defined by the scope of practice and clinical procedures defined by NWS, to a person in cardiac arrest, at the behest of the ambulance service.

The -MFRA Responders will not be called upon to any cardiac arrests for which they have not been trained, competency checked and signed off. Both NWS and -MFRA will ensure that it has taken every reasonably practicable step to ensure that MFRA Responders are not knowingly dispatched to incidents that are not cardiac arrests.

5 Selection Process

-MFRA Responders must have undergone the relevant enhanced DBS process and achieved the necessary competencies as agreed by NWS and -MFRA.

To assist with the provision of a resilient system, NWS shall accept the delegation from -MFRA of responsibility with regard to the checking and keeping copies of necessary human resource documentation, valid Basic Life Support and AED training, up to date Disclosure and Barring Service (DBS) disclosure, indemnity through existing insurance provisions, Hepatitis B immunity certificate, driving license and motor vehicle insurance. A written affirmation of compliance with this schedule will be provided by -MFRA to NWS annually.

Given that the relationship is between NWS and the individual Fire Service organisation and that the relationship is managed via a MOU then confirmation of the eDBS status of the staff concerned (within those organisations) can be via a letter from the Chief Fire Office to NWS. In addition NWS would reserve the right to randomly select staff from the Fire and Rescue Service organisations to check the presence of the eDBS certificate.

6 Scope of Practice

The scope of practice for -MFRA Responders is the area in which they have the knowledge, skills and experience to respond safely and effectively that meets NWS standards and does not pose any further danger to the public or the patient.

MFRA will provide its Responders with suitable training to cover the scope defined, using the principles contained within the existing -Merseyside Fire and Rescue Authority Training

course. The specific level of training will be agreed jointly by the MFRA and NWS Medical Directors.

MFRA Responders must ensure that they are practicing safely and effectively within their given scope of practice, and do not practice in the areas where they are not proficient to do so under the terms of this Memorandum of Understanding and the agreed levels of training.

Where a MFRA Responder is identified as working outside their scope of practice, this must be reported to the CRT Manager and will be subject to investigation utilising the policies of MFRA.

It is acknowledged that -MFRA First Responders are employees of r Merseyside Fire and Rescue Authority and, as such, -MFRA will take primacy in the investigation process and any subsequent actions where necessary.

7 Training

-MFRA will provide suitable training for -MFRA Responders to cover the clinical scope defined and agreed by both of the Medical Directors.

This will ensure competency in the following:-

- Basic Life Support (BLS)
- Use of an External Automatic Defibrillator (AED)
- Oxygen Therapy
- Airway Management
- Scene Safety
- Actions when mobilising to a call
- Use of communications equipment
- Core training elements, including Health & Safety issues and Infection Control
- -MFRA Responders End of Life Care (EoLC)

All -MFRA Responders will be required to pass the Final Assessment to enable them to be accepted to undertake first responding activities.

MFRA Responders will undertake annual refresher training and a proficiency check as part of their ongoing maintenance of skills relating to Basic Life Support and use of a defibrillator.

The aim of the -MFRA Responder End of Life Care self-managed learning pack is to improve the knowledge and understanding around EoLC and all -MFRA responders will be familiarised with this pack. NWS care for a large number of end of life patients; responding to 999 calls when families require support or patient's condition becomes worse.

-MFRA and NWS will ensure that all MFRA responders have greater knowledge and understanding on how to recognise EoLC patients, understand relevant care planning documentation and know what to consider when making decisions about resuscitation.

Each -MFRA Responder will have a training file which will document the following:

- Details of the initial training course and the responder's results

- Record of refresher training
- Copies of any relevant training certificates
- Evidence of accreditation of prior learning (APL) if applicable
- Summary of all external medical / clinical qualifications
- Details of any identified training needs and the action subsequently taken
- EoLC self-managed learning pack completed and signed

This will be maintained by -MFRA and audited by the NWAS CR Manager.

8. Standards of Conduct

-MFRA Responders will be expected to observe the high standards of discipline and conduct expected of a professional service whilst engaged on NWAS duties. These standards must be highlighted during the training programme and will include such issues as patient confidentiality and inter-professional communication.

NHS Constitution

The NHS Constitution establishes the core principles and values underpinning the delivery of NHS Services in England. It establishes the responsibilities and values to which all NHS organisations and those working for them should adhere, both in delivery of care and in their day to day activities in the workplace with colleagues, patients and members of the public. NWAS fully adopts the NHS Constitution and also sets out its own core values and guiding principles. All responders are expected to familiarise themselves with the NHS Constitution and NWAS core values and to ensure that their behaviours reflect these at all times when they are assisting NWAS.

Any complaint or reported breach of conduct involving a -MFRA responder, whilst responding to a cardiac arrest will be investigated under MFRA Policies and Procedures.

9. Mobilisation

Mobilisation to cardiac arrests will be via the local NWAS Emergency Control Centre (EOC) and according to the agreed AMPDS (Advanced Medical Priority Dispatch System) dispatch criteria for cardiac arrests.

The mobilisation will be via established direct line phone. The Officer in charge (Fire Control) will confirm if the -MFRA appliance can /cannot to mobilise to the incident.

If the MFRA cannot respond the -MFRA Control manager must log the reasoning for this decision.

The -MFRA Responders will then mobilise to the NWAS incident via Fire Control.

On arrival at scene the MFRA Responders will notify their arrival to Merseyside Fire Control via the Mobile Data Terminal. The -MFRA crew must continue to follow MFRA operational procedures. On completion of responding duties the MFRA Officer in Charge will update Merseyside Fire Control as to the availability of the crew to attend other incidents.

Any further incident information will be passed direct through control to control when necessary.

The -MFRA Responders will not attend an incident without the agreement of EOC. It is acknowledged that the public may ask for urgent medical assistance by, for example, calling directly at Fire Stations. In this case -MFRA must inform the NWAS EOC as soon as is practicable. Any safety information and any perceived additional risk will be passed by NWAS EOC to Merseyside Fire Control and the responding NWAS resource.

All mobilisations should be driven to in accordance with the current Road Traffic Act and Highway Code.

It is the responsibility of NWAS to ensure that any patient is transported to the appropriate medical care facility. MFRA will not provide transport for the patient.

10. Infection Control

Infection control is a key component of patient care. When attending patients first responders may be at risk of spreading infection. To prevent the risk of cross infection -MFRA responders are required to follow standard precautions.

The principles of Infection control are covered in the NWAS Community Responder training manual section 5.9, page 55/56 and this will be covered during the -MFRA training. The standard precautions are as follows:-

- Hand Hygiene
- Personal Protective Equipment
- Hi Visibility Jackets
- Contaminated Clothing
- Contaminated Equipment
- Hepatitis B

NWAS infection control policy can be viewed on the NWAS-responder info website and will be provided to the -MFRA.

11. Governance Processes

Whilst -MFRA Responders are expected to operate in accordance with the governance arrangements described in this framework, they must also engage in a process of continual risk assessment. If unacceptable levels of risk are perceived, the -MFRA Responder is expected to take steps to mitigate that risk to the best of their ability.

All responders will receive instructions or training from -MFRA on how to conduct risk assessments.

Complaints and Commendations and learning points arising from the operation of the –MFRA Responder scheme will be shared and reported through both organisations.

12. Confidentiality

Responders may see or hear things of a confidential nature, including referring to the diagnosis and treatment of patients. This information must not be divulged to, or discussed with any person other than the relevant medical professionals unless authorised to do so by a manager of NWAS.

-MFRA Responders must adhere to both organisations policies and regulations relating to patient confidentiality. This adherence ensures compliance to the Data Protection Act (1998).

The management of all data and records will conform to the requirements of the Data Protection Act. The Trust Caldecott Guardian will oversee these processes and ensure compliance with legislation and guidance concerning the storage and use of data.

Any requests made under the Freedom of Information Act (2000) will be referred to and handled by the appropriate organisations manager.

13. Clinical Record keeping

–MFRA will utilise their own Patient Report Form (PRF) for each individual incident that they attend at the behest of NWAS. The PRF will be in duplicate with no personal identifiable information on copies held by both the -MFRA and NWAS.

-MFRA responders must complete all of the “Bold” areas on the PRF for every cardiac arrest attended.

The person completing the documentation must identify themselves on the PRF utilising their MFRA PIN number.

The completed PRF must be passed to the NWAS attending ambulance clinician as part of the patient handover process.

PRF copies must be forwarded to the –MFRA coordinator, the coordinator should then arrange with the NWAS CRT Manager for collection and audit.

A copy of the PRF is to remain with the –MFRA for audit.

The CRT Manager on conjunction with the -MFRA coordinator will arrange for the data to be downloaded from the AED as a soon as practical and for copies to be kept secure (respective line managers must be informed).

14. Media/Publicity

Should there be a need to respond to any media enquiry and / or promote any incident attended by both NWAS & -MFRA under this MOU a joint agreed response will be given. This will be co-ordinated through each organisations communications / press office.

If either NWAS or -MFRA are required to respond to any enquiry relating to the nature of this MOU, both organisations must be informed and be involved in the agreed response eg Freedom of Information request.

15. Incident Reporting

All incidents, near misses or injuries sustained by -MFRA Responders acting on behalf of NWAS or by a patient whilst in the care of -MFRA Responders should be reported using a -MFRA Incident Report Form. NWAS EOC and Merseyside Fire Control must be informed immediately by the -MFRA Responders should they or a patient in their care sustain an injury or have an accident. Health and safety representatives will be informed as required by organisational policies. If the incident is an RTC, then -MFRA must have appropriate reporting mechanisms and support in place and ensure that NWAS are notified.

An adverse incident is an unexpected or undesired event involving the Trust's operations which has given rise to loss or harm to the Trust or to any individual, or has resulted in serious patient dissatisfaction. A Near Miss is an event which, from chance or skilful management, would have become an adverse incident or accident.

Incidents must be reported to the CRT Manager within 24 hours of the event and they will forward the issue to the Trust Risk and Safety Team.

-MFRA Responders acting as agents of the Trust remain the employees of -MFRA and will therefore conform to the MFRA Accident / Near miss reporting procedure.

16. Investigations/Interviews/Commendations

Formal written or oral complaints relating to -MFRA Responders should, in the first instance, be handled according to the Trust's complaints procedure.

Where a patient letter of thanks or commendation is received as a result of a -MFRA Responder's activity, this will be recognised by NWAS / -MFRA and a copy should be placed in the responder's portfolio and personal record file.

The Trust /-MFRA will investigate any complaint in an impartial, fair and reasonable manner and if the Responder(s) is not satisfied with the way the investigation has been handled, they will be entitled to appeal directly to an appropriate more senior manager within -MFRA.

-MFRA Responders may be required to provide a statement to the police or participate in a police interview given their role as a first person on scene. The Trust and MFRA undertakes to fully support MFRA Responders during this process and a suitable member of the Trust/ MFRA management team and Trade Union representative will always be present during such interviews. A copy of any statement given to the police by a Responder should, if possible, be held by the Trust and the MFRA.

MFRA Responders may also be interviewed, in accordance with current policies, as part of an internal investigation.

17. Liability

MFRA will at its own cost and in accordance with existing arrangements, procure insurances to cover its obligations under this agreement including employer liability and public liability.

MFRA is responsible for ensuring that individuals are authorised in claiming the exemption of speed and ensuring compliance with sec 19 [High Speed Driving Registration]. MFRA staff must be adequately trained and qualified/requalified to do so.

MFRA must notify in writing to NWAS that they are compliant with sec 19 (when enacted) and that staff are adequately trained and qualified/requalified.

Whilst MFRA are acting as agents for the Trust and responding in motorised vehicles, there is no difference, from an insurance cover perspective, to them responding to F&R related incidents compared to responding for:

- 'Ambulance purposes or for the purpose of providing a response to an emergency at the request of an NHS Ambulance Service' as per the current Deregulation Act 2015.

It remains the responsibility of MFRA to notify their insurers of the additional response 'providing a response to an emergency at the request of an NHS Ambulance Service' and to ensure that they are fully covered and insured for vehicle accident, damage and or injury.

It is the responsibility of the employing authority (MFRA) to ensure legal compliance by ensuring that staff who are expected to respond under emergency driving conditions have received the appropriate level of training that provides them with the authority to execute legal exemptions under the Road Traffic Act 1988 section 87.

NWAS has clinical negligence cover for members of the MFRA Responder scheme engaged on NWAS authorised activities and working within their approved scope of clinical practice.

NWAS will cover the replacement or repair of any equipment funded or supplied by the ambulance service to the scheme.

NWAS will authorise and insure (providing MFRA have adhered to section 17, paragraph 5) MFRA staff who may be required to drive NWAS rapid response vehicle on a non -blue light/siren basis, no exemptions under the Road Traffic Act 1988 can be claimed whilst driving any NWAS vehicle.

It is important to emphasise that a member of MFRA who may be requested to drive a category 'B' liveried vehicle for Trust business must do so in a non-response capacity, as exemptions cannot be claimed in this instance as it would be unjustifiable in respect of 'ambulance service purpose' This is primarily due to the nature and journey type, whereby it would not be used in the capacity of responding to a 999 call

18. Finance

Any financial charges are to be determined locally and reviewed annually. However it is an agreement that for the duration of this MoU that no costs will be levied to NWAS

19. Monitoring and Review

This document will be monitored for its effectiveness by the Merseyside Blue Light Collaboration Group.

Each viable cardiac arrest will be reviewed, reported, audited, data downloaded, and quality assured by NWS and MFRA. Nominated person(s) will be responsible for ensuring that this information is collated, documented and reported back to each organisations leads in preparation for the scheme review meetings.

The data collected will form the basis of the end of year study into this project including lessons learnt.

A regular scheme review will take place bi-monthly.

20. General

MFRA will deliver the responder scheme in good faith and in accordance with the principles of this agreement however the responder scheme is secondary to the delivery by MFRA of its statutory functions and is subject to the exigencies of the service.



MEMORANDUM OF UNDERSTANDING
NWAS NHS Trust
and
Merseyside Fire and Rescue Authority.

- I confirm that I have read and understood the Memorandum of Understanding and agree to comply with the requirements set out within that document
- It is not intended that this Memorandum of Understanding is a legally binding contract

NWAS Director of Operations

UNISON GM Area Convenor

Name: _____

Name: _____

Signature: _____

Signature: _____

Date: _____

Date: _____

MFRA Chief Fire Officer

MFRA FBU Brigade Secretary

Name: _____

Name: _____

Signature: _____

Signature: _____

Date: _____

Date: _____

Appendix C – Cardiac Arrest MPDS code set

09E00I	Cardiac/Respiratory Arrest/Death Echo Override	RED1
09E01	Cardiac Arrest - Not Breathing at all	RED1
09E02	Respiratory Arrest - Breathing Uncertain (Agonal)	RED1
09E03	Respiratory Arrest - Hanging	RED1
09E04	Respiratory Arrest - Strangulation	RED1
09E05	Respiratory Arrest - Suffocation	RED1

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

This report is Restricted

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