

**Non-Exempt Minutes of
Shropshire and Wrekin Fire and Rescue Authority
Strategy and Resources Committee
held in the Oak Room, Headquarters
on Wednesday, 29 January 2025 at 4.00 pm**

Present

Members

Councillors Handley, Hartin (Chair), Minnery, Price and Wynn

Officers

Simon Hardiman	Chief Fire Officer	CFO
Sam Burton	Deputy Chief Fire Officer	DCFO
Jason Kirby	Assistant Chief Fire Officer (Service Delivery)	ACFO (SD)
Karen Gowreesunker	Assistant Chief Fire Officer (Corporate Services)	ACFO (CS)
Joanne Coadey	Head of Finance	HoF
Germaine Worker	Head of Human Resources and Administration	HHRA
Aleksandra Zydek	Executive Support Officer	ESO

1 Election of Vice- Chair

It was proposed by Councillor Minnery and seconded by Councillor Hartin that Councillor Handley be appointed Vice-Chair of the Strategy and Resource Committee to hold office until immediately after the appointment of Vice-Chair at the next Annual Fire Authority Meeting.

There being no other nominations, Councillor Handley was duly appointed as Vice- Chair.

2 Apologies for Absence

Councillor Aldcroft and Cook

3 Disclosable Pecuniary Interests

None

4 Public Questions

None

5 Non-Exempt Minutes

Resolved that the non-exempt minutes of the Strategy and Resources Committee, held on 27 November 2024, be agreed, and signed by the Chair as a correct record.

6 Financial Performance to December 2024

This report, presented by the HoF, provided information on the financial performance of the Service, and sought approval for action, where necessary.

The HoF brought Members attention a summary of total position on page 2 and noted mistake in titles of last two columns – they should be Qtr 3 and not Qtr 2.

The position to December can now be reported with exceptions shown in the table on page 3 - the total overspend of £110k. It is proposed that the variances are transferred from reserves listed on the top of page 4.

The HoF reported that virements for Wellbeing facilities and CFO training & development have been approved using powers delegated to the CFO, Treasurer and the HoF. She added that the position of the Authority's reserves are shown on in a table on the bottom of page 4. This includes previously approved transfers and virements.

Members questioned if the long-term sick in Service Delivery is caused by physical or mental health. The HHRA noted that the top two absence causes are musculoskeletal and mental health related.

Members questioned if cost of additional kit is a one off. The CFO explained that the Service has moved to a new kit supplier which has 44 male and 44 female kit sizes. This allows for more customised fit but also mean that the Service had to purchase additional sizes. Each Firefighter has 2 sets of fire kits but if they are both contaminated due to incidents happening in short period of time of each other the Service has bulk stock to issue them another kit. The ACFO SD added that additional kits are good news story for inclusion within the Service as there is more choice for both male and female firefighters. The CFO noted that the additional kit costs are expected in the future as more is understood around contamination and Health and Safety.

Members questioned additional legal costs within Corporate Governance. The CFO explained that this is related to the Greenways Waste site prosecution. He explained that the Service must pay to prosecute cases though the legal system. He noted that the Service applies the public interest test before taking legal action. The Service will seek to recover those costs which deters other from not adhering to legislation.

Members were interested if the number of vacancies have impact on the Service capacity to deliver priorities. The CFO noted that Structure Review is currently being undertaken by the DCFO and will identify key posts. He also noted difficulties in ICT recruitment due to public sector pay not being competitive to private sector pay.

Members questioned driving instructor posts being vacant for long time. The AFCO SD noted that recruitment is challenging due to better pay in private sector. He noted that an individual was recruited and is developing into competence. The CFO added that there also has been change in the driving training standards which has caused issues across the sector. He added it would be challenging for on-call staff to take 3 weeks off their day jobs to complete the training. The Service is feeding their concerns into the national picture.

Members questioned amount of money in the Service Delivery reserve. The HoF advised that money in the Service Delivery reserve was from grant for new initiatives. This reserve was always small and something the Service would hardly ever use. Members questioned if this reserve is worth keeping. The HoF advised that the Service can make further contributions into this reserve if deemed its needed.

The HoF reported that new guidance has been issued from Driver and Vehicle Licensing Agency (DVLA) regarding increasing rolling road brake test on HGV safety inspections from April 2025. Workshops do not have rolling brake testing inhouse. Vehicle lifts have been assessed, and it has been confirmed they will not require replacement for 5 years. It is proposed that the capital scheme in 2025/26 for vehicle lifts is rescope and increased by £5k to accommodate purchase brake rollers instead of lifts and moved forward to 2024/25.

The HoF noted that the Service is within the Prudential Indicators set for 2024/25 and currently has £9.8m funds invested.

Resolved that the Committee recommend that the Fire Authority

- a) Noted the position of the revenue budget;
- b) Approved variations to the revenue budget, where requested;
- c) Approved amendment to capital scheme, and
- d) Noted performance against prudential indicators to date in 2024/25.

7 Revisions to the 2025/26 Revenue Budget

This report presented a final revenue budget package for 2025/26 for consideration by the Committee, and recommendation to the Fire Authority, taking into account latest information.

The HoF reported that at its meeting in December 2024, the Fire Authority was presented with a summary of the revenue budget for 2025/26 that had been considered by Strategy & Resources Committee. Members were informed that the Chancellor had presented the Autumn Budget in October which outlined aspects of the Local Government Finance Settlement for 2025/26. These included an inflationary increase of 1.7% based on September 2024 CPI, and an increase in core spending power of 3.2% for the Fire sector. No indication was provided around precept referendum thresholds.

The HoF noted that this would be a single year settlement with a multi-year settlement for subsequent years expected in Spring 2025.

The HoF brought Members attention to table on page 2 with latest budget position based on assumptions listed below the table. She added that the government published its policy statement in October which confirmed its intentions for the finance settlement for 2025/26.

The Statement confirmed the following:

- Standalone fire authorities can increase precept by £5 without requiring a referendum
- Rural Services Delivery Grant, Services Grant and Minimum funding Guarantee are removed in full
- A one-off Recover Grant will be introduced, based on deprivation, but is unlikely to be allocated to this Authority
- Local authorities will be compensated in the usual way for the freeze in the small business rate multiplier.

The HoF reported that the flexibility of a £5 precept increase will be welcomed following lobbying by major stakeholders, however, the loss of three grants from the settlement has far outweigh any potential benefit to the authority of an increased referendum threshold. The anticipated loss around £300k.

The HoF noted that the Chancellor announced during the Autumn Budget that there would be an increase in NICS employer contributions from April 2025, as well as a lowering of the threshold from which NICS are paid. She added that support would be given to local authorities to cover these additional costs, although no amounts were specified.

The HoF reported that the main points of the provisional finance settlement announced for 2025/26 were:

- Revenue Support Grant, rates and Top Up Grant for this Authority have increased by 1.4%
- Rural Services Delivery Grant, Services Grant and Minimum Funding Guarantee are removed in full
- S31 grant income for rates compensation has continued
- Council tax referendum spending limit is confirmed at £5 for 2025/56

A total grant of £515m had been announced to support NICS costs, however the allocations across individual authorities will not be confirmed until the final settlement is announced. The HoF noted that it is likely that the grant received will only cover around 50% of the additional costs.

The HoF reported that the Treasury completed its analysis of the outcomes of the 2020 Fire Pension Scheme Valuation in 2024; the impact of the valuation on the schemes was an increase in employer contributions, from 30.2% to 37.6%

The HoF noted that the council tax bases for Shropshire and Telford & Wrekin Council are awaiting approval; provisional numbers would generate an

additional £60k in precept income. She added that collection fund balances are currently being finalised.

The DCFO presented the main areas for future growth and investment within the Service:

- The consultation of the Fire Authority's Community Risk Management Plan (CRMP) has used an evidence-led approach to identify key areas to mitigate and manage risk, these areas will require investment to achieve the outlined proposals.
- In November 2024, His Majesty's Inspector of Constabulary and Fire and Rescue Service (HMICFRS) report highlighted several critical findings across the Service and provided areas for improvement and a cause of concern. Officers and members accepted all these recommendations and have submitted a comprehensive plan to address the areas for improvement and the cause of concern.
- The development of the Strategic Priorities for 2025/26, due for Authority approval in February 2025, is identifying essential investments in people, processes, and systems.
- A Service Structural Review is currently underway to ensure the structure enables the delivery of the CRMP and the Strategic priorities for 2025/26, it is addressing identified skills gaps to improve service delivery and enhance overall organisational effectiveness.

The HoF noted that whilst these priority areas have not yet been finalised, it is proposed that a sum of money is allocated within the budget to make this investment. An investment of £250,000 is proposed for 2025/26 with details of the expenditure reported to members through future monitoring reports. Similar amount of investment is expected for year 2 and year 3 alongside £150k for systems improvement.

Members questioned if systems improvements will contribute to achieving main areas for future growth. The CFO advised that improvements in ICT systems as well as automating processes will make difference to the ways of working.

The HoF brought Members attention to table on page 5 and noted that figures in it are based on precept increase of 2.99% for 2025/56 and future years.

In 2023/24 the council tax referendum spending limit was increased to £5 for fire and rescue authorities but despite continues lobbying, the spend limit reverted back to 2.99% in 2024/25, which coupled with one-year settlement limited scope for development and medium-term planning.

The referendum spending limit has now been increased to £5 for standalone fire authorities, giving some flexibility to the precept increase decision. However, Members have seen the effect of the cessation on grants on the Authority's planning in table on page 5. The HoF reminded Members that it is not yet certain how the introduction of multi-year settlement will affect existing income streams or precept referendum thresholds.

The HoF presented Members with a range of precept increases listed in a table on page 6 of the report.

The HoF noted that finance settlement for 2025/26 is less favourable than anticipated, due to scrapping number of grants. Single year term settlements continue to hamper medium term planning and sustainability. She added that reduction in settlement income and increased referendum threshold have placed the burden of increased tax levels onto the taxpayer, and decision around where to place these levels within the Fire Authority.

Members thanked the HoF for detailed presentation and excellent information that been provided to them over the years. Members feel well cited on options available.

The Members expressed concern that settlement for beyond 2025/26 is unknown which makes planning difficult and there is a need to go with the highest precept increase due to the uncertainty.

Members noted that recommendation to increase the precept by 4.34% is fair.

Resolved unanimously that the Committee recommend that the Fire Authority

- a) a precept increase of 4.34% (£5) of for 2025/26, based on one of the options in section 8, and
- b) a revenue budget in line with the precept increase approved above.

8 Capital Programmes 2025/26 to 2029/30, Treasury Management Statement and Capital Strategy

This report presented the Capital Programmes for 2025/26 to 2029/30, for consideration by the Committee in the context of Prudential Guidelines.

The HoF presented the report and noted that CIPFA's Prudential Code for Capital Finance in Local Authorities deals with three elements:

- Capital expenditure and investment plans
- External debt
- Treasury management

These elements were considered within the report.

The HoF noted the main elements of the Capital Strategy (Appendix A) are to support a capital programme to:

- Ensure the Authority assets are used to support the delivery of the Services Community Risk Management Plan (CRMP) and associated priorities;
- Is affordable, financially prudent and sustainable;
- Ensure the most cost-effective use of the existing assets and new capital investment, and
- Support the other key strategies of the Authority.

The HoF reported that consideration of the future capital programmes must be in the context of producing a balanced budget. She added that Members must

also have regard to the Prudential Code and must set Prudential Indicators for the next three years to ensure that its capital investment plans are affordable, prudent and sustainable.

The HoF noted that the Fire Authority agreed on October 2014 that future savings would be contributed to Unearmarked Capital Reserve, now Major Projects Reserve, to fund future capital development. It should be noted that borrowing, when undertaken, will be allocated the most appropriate schemes in the programme for the calculation of capital charges.

The HoF highlighted that Treasury Management main functions:

- to ensure that cash flow is adequately planned, with cash being available when it is needed
- service the funding of Authority's capital plans which provide a guide to the borrowing need of the Authority.

The HoF noted that the report covers:

- the capital programme (including prudential indicators);
- a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

Resolved unanimously that the Committee recommend that the Fire Authority

- a) Approved the Capital Strategy for 2025/26 – 2029/30, set out in Appendix A.
- b) This point was considered in the exempt session.
- c) Approved the Treasury Strategy Statement for 2025/26.

9 Adequacy of Reserves and Robustness of Budget

This report, presented by the HoF, undertaken a full analysis of reserves, provided an assurance on the adequacy of reserves, and gave an assurance on the robustness of the budget.

The HoF reported that the reserves have increased from last year, when an assurance was given of their adequacy;

- £2.008m was released for use during the year- capital expenditure, slipped revenue spend, of off revenue expenditure and staff costs.
- 2.433m was held in the General Fund at the end of the year- underspend on revenue budget 2023/24. Of this £57k was rolled forward into 2024/25 revenue budgets and £2.367m was redistributed to earmarked reserves.
- Underspends were reported in debt charges during the year as no borrowing had been undertaken to fund the capital programme; this was transferred to the Major Projects Reserve to reduce loan charges going forward.

- It is recommended that the balance of the General Fund is transferred to the Pensions and Other Staff Issues Reserve, to mitigate the impact of any future employment liabilities.
- £0.247m was added to the Major Projects Reserve as a budgeted contribution- surplus revenue budget 2023/24.

The HoF noted that the reserves are adequate and budget for 2025/26 is robust.

Resolved that the Committee recommend to the Fire Authority

- The reserves as set out in the appendix to the report; and
- The Treasurer's assurances covering the robustness of the 2025/26 budget and adequacy of its reserves.

10 Capital update on Activity and Finance

The purpose of this report, presented by ACFO CS, was to provide an overview of all the capital schemes within the Service and their status.

Resolved that the Committee note the progress so far on current schemes.

11 Exclusion of Press and Public

Resolved that having been satisfied in all the circumstances of the case that the public interest in maintaining the exemption outweighs the public interest in disclosing this information, that Members formally resolve that the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

12 Exempt Minutes

Resolved that the exempt minutes of the Strategy and Resources Committee, held on 27 November 2024, be agreed, and signed by the Chair as a correct record.

13 Capital Programmes 2025/26 to 2029/30, Treasury Management Statement and Capital Strategy

This report presents the capital programmes for 2025/26 to 2029/30, for consideration by the Committee in the context of Prudential Guidelines

Resolved that the Committee recommend to the Fire Authority

- Confirm the 2025/26 onward programmes, set out in Appendix B, as part of its final precept deliberations.

14 Capital Update on Activity and Finance

The Committee received the Appendix B to report 10 – Capital Update on Activity and Finance, which contains exempt information.

Resolved that the Committee note the exempt Appendix B to report 10 – Capital Update on Activity and Finance.

Ends 5.00 pm

Chair _____

Date _____