

**Minutes of the Meeting of
Shropshire and Wrekin Fire and Rescue Authority
Strategy and Resources Committee
held in the Oak Room at Headquarters, Shrewsbury
on Thursday, 4 February 2016 at 2.00 pm**

Present

Members

Councillors Carter, Hartin (Vice-Chair), Roberts (Chair), Turley and West

Officers

Chief Fire Officer, Deputy Chief Fire Officer, Assistant Chief Fire Officer, Treasurer, Head of Finance, Planning and Performance Manager and Executive Support Officer

1 Apologies for Absence

Apologies for absence had been received from Councillor Mrs Barrow. Councillor Wynn did not attend the meeting.

2 Disclosable Pecuniary Interests

The Chair reminded Members that they must not participate in the discussion of, or voting on, any matter, in which they had a Disclosable Pecuniary Interest, and should leave the room prior to the commencement of the debate.

No Disclosable Pecuniary Interests were declared.

3 Minutes

Members received the minutes of the Strategy and Resources Committee meeting, held on 12 November 2015.

It was proposed by Councillor West, seconded by Councillor Carter, and, with Councillor Hartin abstaining as he had not been present at the meeting, it was

Resolved that the minutes of the Strategy and Resources Committee meeting, held on 12 November 2015, be agreed and signed by the Chair as a correct record

4 Public Questions

No questions, statements or petitions had been received, from members of the public.

5 Financial Performance to December 2015

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

The Head of Finance (HoF) talked through the proposed variances to the revenue budget, as set out on page 2 of the report, and advised that the Fire Authority was operating within all of its Prudential Indicators. She explained that, as shown on page 4 of the report, the Fire Authority was lending to a wider range of organisations and that this lending was being undertaken within the parameters set by Shropshire Council.

Councillor Hartin referred to the Information and Communications Technology (ICT) overspend, as detailed on page 2 of the report, and asked for further details. The Assistant Chief Fire Officer (ACFO) explained that two substantive ICT vacancies had been advertised but the Service had been unable to appoint to either post. This meant that agency staff had to be employed, leading to extra costs. A benchmarking exercise had since been undertaken on ICT posts, which had given mixed results. It was apparent that the Service had been underpaying ICT staff and an increase in salary costs could, therefore, be expected for this area.

Councillor Carter asked if the Service now anticipated that the posts could be filled. The ACFO responded that, based on the evidence of the benchmarking exercise, this was likely but the pay and grading structure for the department would need to be looked at. Councillor Carter asked if the pay had been the reason for candidates not taking up the positions. The ACFO explained that the candidates interviewed had not been suitable for the positions due to their skills and qualifications. Councillor Carter asked that Members be kept informed of developments in relation to this issue.

It was proposed by Councillor Carter, seconded by Councillor Hartin, and

Resolved that the Committee recommend that the Fire Authority:

- a) Note the position of the revenue budget;
- b) Approve movements and virements to the revenue budget, where requested;
- c) Approve the increase to capital schemes where detailed; and
- d) Note performance against prudential indicators to date in 2015/16

6 Revisions to the 2016/17 Revenue Budget

This report presented a final revenue budget package for 2016/17 for consideration by the Committee, and recommendation to the Fire Authority, taking into account latest information.

The HoF presented this report and informed Members that the grant settlement had been received and was detailed on page 2 of the report.

A document, detailing Outline Growth Proposals in relation to Staffing, was tabled to the meeting, a copy of which is attached to the signed minutes.

The Chief Fire Officer (CFO) stated that as a result of the Public Value savings a number of significant changes had been made in the organisation over a four-year period. The savings had resulted in changes to the structure and processes of the organisation to the degree that some new skills and posts were required. In light of these requirements, the growth items included a number of posts, which had been filled temporarily but which should now be filled permanently. One example of this was the Operations Department, where a temporary Station Manager and Watch Manager, working on the National Operational Guidance Programme, had been in post since 2012 and 2014 respectively and these roles should now be permanent. Growth of both the ICT and Service Development departments would enable changes to service delivery.

The CFO further commented that a legacy of the Public Value Programme had been to reduce and to continue to reduce the size of support services. He felt that it would be sensible to abandon the remaining small amount of legacy reductions in support services in future in light of the changes already achieved and the changes proposed as a result of this paper. The Service had contracted in size and the change in delivery of services had led to gaps and a need to recruit new specialist skills.

Councillor West commented that the Service had contracted to a good position and it seemed that now was the right time to look at growth. The CFO clarified that part of the proposed growth would allow a consolidation of existing posts and the amalgamation with new posts.

Councillor Carter commented that the Strategic Risk and Planning Working Group had discussed the issue of growth and the consensus was that, having taken the right approach for the past two to three years, it now seemed to be the right time for the Fire Authority to introduce growth into its financial planning.

Councillor Hartin asked if the Fire Authority needed to take on board the potential changes involving the Police and Crime Commissioner, when considering the financial planning options. The CFO responded that it had been part of the considerations but only on the basis of the limited information currently available. Councillor Hartin asked, given that it was an uncertain time, whether the Service should further consolidate its position. The CFO replied that, even though the term growth was being used, officers were looking at consolidation, rather than expansion. As had been outlined earlier, however, this would mean a small number of new posts to take into account the adjustments to the structure and processes since Public Value. There was still need for the Service to do the 'minimum'.

Councillor Roberts commented that consideration also needed to be given to the staff concerned and what was fair to them. The CFO responded that it was recognised that the posts concerned were needed and should, therefore, be made permanent, especially in 'risk critical' areas. The Deputy Chief Fire Officer (DCFO) commented that it was encouraging to have Member support for growth. He also advised that it should be thought of as of as 're-engineering' costs after the Public Value Process. The Service was weaker, if gaps were not closed and doing this would put the Service in stronger position for any future negotiation.

The ACFO advised that backfilling the post concerned currently involved 19 people, which was causing issues with sustainability and risk management.

Councillor Carter referred to the four financial planning options, outlined in the paper, which all included an additional item for growth, and asked if there was a steer towards any particular one.

The HoF explained that all four options were based on a 1.99% precept increase in 2016/17. Precept increases should cover anticipated costs so the ideal situation was where the lines on the graphs were going in same direction. This could be seen in graph 4 on page 5 of the report. The HoF explained that each option could be modelled in the Medium Term Financial Plan (MTFP).

Councillor Carter stated that option 4, as set out on page 4 of the report, seemed to be best option for the Authority. He asked if, as there were still three to four years to go forward, the option could be changed during this period. The HoF advised that the Authority could agree the 2016/17 precept on 24 February and that this could then be changed as and when needed. Councillor Hartin suggested that it be made clear in MTFP that the Fire Authority was minded to ask only for what was needed going forward.

It was proposed by Councillor Roberts, seconded by Councillor Carter, and

Resolved that the Committee recommend that the Fire Authority agree:

- a) A revenue budget of £20.898m for 2016/17; and
- b) To use financial planning option 4 from paragraph 7 and confirm contribution to reserves and budget requirement for 2016/17

7 Capital Programmes 2016/17 to 2019/20 and Prudential Guidelines

This report presented the capital programmes for 2016/17 to 2019/20 for consideration by the Committee in the context of Prudential Guidelines.

It was proposed by Councillor West, seconded by Councillor Carter, and

Resolved that the Committee:

- a) Defer the decision relating to the 2016/17 onward programmes until item 12 on the agenda, as these were set out in the Appendix to the report, which was an exempt paper;
- b) Approve the Prudential Indicators and the Treasury Strategy for 2016/17;
- c) Approve the Minimum Revenue Provision 2016/17;
- d) Approve the Treasury Management Practices and Main Principles for 2016/17; and
- e) Make recommendations to the Fire Authority accordingly

8 Adequacy of Reserves and Robustness of Budget

This report undertook 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 advised that the Fire Authority currently had approximately £13m in reserves, which was 63% of its revenue budget. There was a planned reduction for reserves to be 26% of the revenue budget by 2019/20 and the Authority could demonstrate how this might be achieved. The Treasurer's statement, as set on page 2 of the report, gave assurances in relation to the robustness of the Authority's budgets and the adequacy of its reserves. The Treasurer commented that the reserves were already established and that officers were not looking to significantly add to these.

Councillor Roberts referred to the Equipment Replacement Provision, as shown in the Appendix to the report, and asked for an explanation of what had happened to this. The HoF explained that there had been a recommendation from the Auditors that equipment replacement should be a reserve, rather than a provision, and this was the change, shown in the Appendix.

It was proposed by Councillor Carter, seconded by Councillor Turley, and

Resolved that the Committee recommend to the Fire Authority:

- a) The reserves, as set out in the appendix to the report; and
- b) The Treasurer's assurances, covering the robustness of the 2016/17 budget and adequacy of its reserves

9 Corporate Risk Management Summary

This was the latest of the regular risk summary reports to the Strategy and Resources Committee. The progress reported related to that achieved since the last Committee update in September 2015.

The Planning and Performance Manager (PPM) highlighted the summary of activity, set out on page 2 of the report. He advised that a new risk had been added to the Corporate Risk Register concerning the Emergency Services Mobile Communications Programme (ESMCP), which was the replacement for Airwave. The Service was due to change over in 2018/19 but, if there was a slippage in contract, it was possible that there might be no bearer for communications, which was an emerging risk area. Councillor West commented that he was glad to see that the ESMCP had now been included on the Risk Register.

Councillor Carter referred to the Local Authority Controlled Company risk and asked, if this risk would change in future. The PPM confirmed that it would and also assured Members that Martin Timmis' name would be removed as Risk Owner.

It was proposed by Councillor Roberts, seconded by Councillor West, and

Resolved that the Committee note the contents of the report

10 Capital Update on Activity and Finance

This report provided an overview of all of the capital schemes within the Brigade and their current status.

The PPM presented this report and talked through the schemes as set out in the Appendix to the report.

Councillor Hartin referred to the Improvements at Wellington Scheme and asked if the heating system would have any impact on the work being undertaken on dormitories. The PPM explained that the heating system no longer made financial sense, so officers might look to cancel this scheme, which concerned the fuel used, rather than the actual heating system. The ACFO clarified that it was a biomass scheme that was being considered, which at the time of suggestion had been cost neutral but had since changed. The rest of work detailed in the Scheme had all been undertaken.

Councillor Roberts referred to the Light Vehicle Replacement Scheme and asked what type of 4x4 was being considered. The DCFO explained that the preferred option was Toyota Hilux. The PPM explained that a business case and feasibility study would be needed before proceeding with the Scheme. The HoF confirmed that there was further provision for replacements in future capital programmes.

It was noted that the second part of the appendix to this report (paper 13) would be considered in the closed session of the meeting, as it was exempt from publication under paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

It was proposed by Councillor Carter, seconded by Councillor West, and

Resolved that the Committee:

- a) Note the progress so far on current schemes; and
- b) Defer the decision relating to the recommended amendment to schemes, as set out in section 5 of the report, until item 13 on the agenda, as this was detailed in Appendix B to the report, which was an exempt paper

11 Local Government Act 1972

It was proposed by Councillor Roberts, seconded by Councillor West, and

Resolved that, under the Local Government Act 1972, the public and press be excluded for the following agenda items on the grounds that they involved the likely disclosure of exempt information, as defined by the provisions of Part 1 of Schedule 12A to the Act, by virtue of paragraph 3

12 Capital Programmes 2016/17 to 2019/20 and Prudential Guidelines (Paragraph 3)

The Committee received the Capital Programme from 2016/17 paper which contained exempt information. This was Appendix A to report 7 – Capital Programmes 2016/17 to 2019/20 and Prudential Guidelines.

It was proposed by Councillor Hartin, seconded by Councillor Roberts and

Resolved that the Committee confirm the 2016/17 onward programmes as part of its final precept deliberations

13 Capital Update on Activity and Finance (Paragraph 3)

The Committee received the second part of the appendix to report 10 – Capital Update on Activity and Finance, which contained exempt information.

It was proposed by Councillor Roberts, seconded by Councillor Turley, and

Resolved that the Committee agree the recommended amendment to schemes, as set out in section 5 of the non-exempt report (cancellation of the People Management System scheme)

The meeting closed at 3.15 pm.

Chair.....

Date.....