

Shropshire and Wrekin Fire and Rescue Authority Strategy and Resources Committee

held in the Oak Room, Headquarters
on Wednesday, 31 January 2024 at 2.00 pm

Present

Members

Councillors Aldcroft, Hartin, Minnery, Offland (Chair), and Wynn

Officers

Simon Hardiman	Chief Fire Officer	CFO
Adam Matthews	Assistant Chief Fire Officer (Service Delivery)	ACFO (SD)
Guy Williams	Assistant Chief Fire Officer (Service Support)	ACFO (SS)
Joanne Coadey	Head of Finance	HoF
Germaine Worker	Head of Human Resources and Administration	HHRA
Emily Bray	Planning and Programme Officer	PPO
Natalie Parkinson	Equality and Diversity Officer	EDO
James Walton	Treasurer	T
Lynn Ince	Executive Support Supervisor	ESS
Aleksandra Zydek	Executive Support Officer	ESO

1 Apologies for Absence

Graham Cook and John Price

2 Disclosable Pecuniary Interests

None

3 Public Questions

None

4 Non-Exempt Minutes

Resolved that the non-exempt minutes of the Strategy and Resources Committee, held on 22 November 2023, be agreed, and signed by the Chair as a correct record.

5 Financial Performance to December 2023

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

The HoF presented this report. In the table of variances on page 4 they highlighted the following points:

- For service delivery:

- expenditure for overtime and national insurance continues to run at levels higher than budget. Secondments into other areas of the Service, long term sickness and modified duties, and course attendances are all contributory factors. To mitigate this position, an external transferee process will commence in January, as will a new training delivery model, which will reduce the amount of overtime required while training is being delivered;
- on call duty system costs have been lower than anticipated in a number of areas; staff numbers and a reduced number of incidents have led to an underspend in both fixed and activity led costs. Plan is to use the underspent for call initiative project;
- additional courses have been undertaken or planned in a number of areas, including hazmat training, which was not included in the planned programme.
- savings have arisen from a number of vacancies in Training-Pay area; driving instructor, 2 crew managers and 1 watch manager.
- savings in Prevention arisen due to a watch manager vacancy in the department.
- For executive resources:
 - no payments have been required this year to cover deficits in the local government pension scheme;
 - there has been a significant increase in external audit fees from 2023/24, this will be reflected in future years;
 - estimated gas usage at Telford has now been corrected, resulting in a refund;
 - reduction in fuel prices resulted in savings;
 - an exercise reviewing business rates across a number of stations has identified a net refund of £150,000 – it is proposed that this is transferred to the Buildings Maintenance Reserve.
- For corporate governance a number of vacancies in ICT and Prevention and Protection (P&P) resulted in an underspend.
- It is proposed that unless specified, variances will be transferred to individual contingencies, where they will be managed with future variances.
- Virements listed on pages 5 and 6 have been approved using powers delegated to the Chief Fire Officer, Treasurer and Head of Finance.
- For prudential indicators:
 - borrowing currently stands at £5.255m, well within the indicator. No temporary borrowing has been necessary;
 - Current investments, listed on page 6 of the report, total up to £9.4m.

Members requested clarification on the number of years and the number of stations the exercise of reviewing business rates had looked at. HoF advised that the Head of Resources can provide clarification to the committee at a later date.

Members queried the number of vacancies within the service. CFO advised that recruitment in ICT and Service Delivery (SD) are problem across the public sector. HHRA added that as piece of work has been carried out as a part of structural review looking to fill or reallocate those vacancies. ICT held

interviews this month, so some vacancies are expected to be filled. HHRA added that a piece of work has been carried out to benchmarked pay for the roles to reflect private sectors.

Members questioned whether changing auditors would bring costs down. HoF advised that we cannot change auditors and that increase in costs reflects national issues with local audits.

Resolved that the Committee recommend that the Fire Authority

- a) Note position of the revenue budget;
- b) Approve virements to the revenue budget, where requested;
- c) Note performance against prudential indicators to date in 2023/24.

6 Revisions to the 2024/25 Revenue Budget

This report presented a final revenue budget package for 2024/25 for consideration by the Committee, and recommendation to the Fire Authority, taking into account latest information.

The HoF presented this report and noted the following points:

- in December 2023, the Fire Authority was presented with a summary of the revenue budget for 2024/25 based on assumptions currently in use by officers in the Service's scenario planning;
- Chancellor had announced the spending review for 2023/24 and future years, which included an increase in real terms for local government, a recognition of reducing inflationary pressures in the medium term, and council tax flexibilities for local authorities set at 2.99%. No announcement had been made specifically about Fire precept;
- Following the spending review announcement, officers confirmed current modelling assumptions:
 - Grant increased by 6.7% in 2024/25 and 2% thereafter; continuation of Services Grant, 2% increase in rates income from 2024/25
 - Precept increase of 2.99% for 2024/25 and later years
 - Council tax base increase of 1.87% from 2024/25
 - Pay award of 5% from 2024/25, reducing to 4% then 3% in future years
- the table on page 2 shows approved expenditure and the projected surplus or deficit using current assumptions for income;
- the government published its local government finance policy statement on 5 December 2023, which confirmed:
 - an increase in revenue support grant of 6.7%;
 - confirmation that the s31 grant for pension contribution increases following the 2016 valuation had been rolled into revenue support grant, and will be indexed from 2025/26;
 - continuation of a number of grants, with Rural Services Delivery Grant held at flat cash, and Services Grant reduced by 88% (this has been used to fund grants elsewhere in the funding settlement);
 - precept referendum principles for the Fire sector reduced to 2.99%, from £5 in 2023/24;

- following the policy announcement, particularly around precept flexibilities, the assumptions for pay award for 2024/25 were reduced to 4%. This was deemed to be a realistic and affordable assumption for likely pay next year and reduces the pay contingency by £160,000 per year;
- for ill health and injury pensions - the current budget has not kept up with inflationary increases that have been applied to pensions payments – an increase of £85,000 is required to inflate current provision;
- following a departmental review that took place during 2022/23, several posts within Planning and Performance and ICT have been regraded. A total of £75,000 has been added to the budget to accommodate these additional costs;
- the provisional finance settlement announced on 18 December, provided numbers for 2024/25 only. The main points of the settlement were:
 - Revenue Support Grant has increased by 6.7%, and pensions funding grant has been rolled into settlement funding;
 - Rates and top up grant increased by 6.75%;
 - Rural Services Delivery Grant has continued in cash terms
 - Service Grant has continued, with a significant reduction due to support for other areas of the settlement;
 - s31 grant income for rates compensation is £700k higher than expected;
 - Council tax referendum spending limit for 2024/25 is confirmed at 2.99% for 2024/25;
 - an amount of £174,000 has been paid as funding guarantee – this is to ensure that all fire authorities receive at least 3% increase in core spending power before council tax or use of reserves. Of the 44 fire authorities, 31 reached the threshold for funding guarantee payments, including Shropshire;
- Fire Pension Scheme 2020 valuation resulted in an increase in employer contributions, from 30.2% to 37.6%. This increase represents around £800,000 per year in the revenue budget. The total costs of this increase for 2024/25 will be funded by government; however, as 2025/26 is the beginning of the next Comprehensive Spending Review, continued funding for this increase cannot be guaranteed and must be borne in mind as future precept increases are considered.
- The council tax bases for Shropshire Council and Telford & Wrekin Council have been approved for 2024/25 and total growth of 1.35% has been confirmed. This is lower than assumed growth and reduces the Authority's anticipated income by £100,000 per year;
- Total collection fund balances for Shropshire Council and Borough of Telford & Wrekin are currently being finalised;
- Work is currently underway to develop the CRMP objectives for 2025-2029 and these include using data to determine where our assets are located to meet risk;
- Initial evidence suggests that the Service would benefit from having specialist stations concentrating on working at height, water capability and rescue, and technical rescue. Focus will also be placed on

ensuring that the Service is structured to meet new and emerging risks, such as response to climate change (flooding and wildfires) and new technologies, such as electric vehicles and battery energy storage sites.

- This work will require investment to meet current and future demands; indicative figures have been included within the capital report and may vary as an evidenced based approach to CRMP is developed.
- several growth posts have been considered to ensure that the service can continue to meet its objectives. Officers are conducting a strategic review of the Service's structure, and it is felt that costs of the temporary posts (listed on page 5 and 6) are appropriate until the strategic direction of the Service is determined;
- the strategic reviews introduced in 2022/23, as part of the Authority's new Service Plan, include reviews of the Service's operational resource requirements, the sustainability of its On Call service, the productivity and efficiency of the Service and how its resources are used, and how they are identified, measured, and reported;
- a total of £200,000 was allocated to the Service Transformation Board Staff Reserve in 2022/23 to ensure that these projects and reviews were adequately resourced.
- The Authority considered the introduction of some modest growth in the budget in 2023/24 and 2024/25, however due to pay awards over and above contingency levels, this was withdrawn.
- The current funding position has enabled the reintroduction of £150,000 of this growth in the budget from 2024/25. Its use will be determined as the reviews progress. The financial position after applying these changes is shown in a table on page 6;
- In 2023/24 the council tax referendum spending limit was increased to £5 for fire and rescue authorities. Despite continued lobbying, the spending limit has reverted to 2.99% for fire authorities, which, coupled with a one-year settlement, limits scope for development and medium-term planning.
- It is prudent to consider a range of precept increase options and the consequences of these options. The maximum of 2.99% is shown in the table on page 7, along with lower percentage increases. The potential increase in pension costs following the 2020 scheme valuation has also been factored into the options.
- precept increase of 2.99%, or 6p per week, would enable the Authority to cover inflationary pressures and service its capital programme, but would also provide some capacity to ensure that objectives are met, and developments explored;
- the revenue budget will be in deficit for each year of the planning period if the Authority does not receive grant for the increase in employer pension contributions from 2025/26. Potential growth, investment and development will need to be rescoped and plans amended accordingly
- budget position for 2024/25 has been updated to reflect the information available following the settlement.

- while the finance settlement for 2024/25 is more favourable than anticipated, single year settlements continue to hamper medium term planning and sustainability.
- Assumptions have been revised to better reflect the Authority's likely position following the single year settlements. The Fair Funding Review, which would improve the distribution of funds across local authorities, is unlikely to be carried out within the next two years. This would negate the need for local authorities to rely on council tax to fill any funding gaps.
- As in previous budget cycles, the years following 2024/25 are estimates only, and will be updated when further information becomes available.
- The adjustments to the revenue budget and changes in funding have been exemplified and the summary position is shown on page 8— this is based on the council tax flexibility of 2.99%. The figures are subject to change following the confirmation of one-off balances on collection funds for both constituent authorities.

Members questioned the timescales for the temporary posts. CFO advised they align with delivery of new Command and Control system and the end dates of significant projects taking into account the employment law and ensuring compliance with legislation. Structural review draft is due in June and will give an indication where resources are needed in service.

Members raised concern around floods in Shrewsbury and incident response times. Piece of work is currently underway to determine if added resources are required and to consider the implications of transferring existing resources.

Members commented that with uncertainty, announcements, and many things in a pipeline it is early to make decisions, but they hope things will be clearer for next Fire Authority Meeting in February.

Resolved unanimously that the Committee recommend that the Fire Authority

- a) a precept increase of 2.99% for 2024/25, based on one of the options in section 8, and
- b) a revenue budget in line with the precept increase approved above.

7 **Capital Programmes 2024/25 to 2028/29, Treasury Management Statement and Capital Strategy**

This report presented the capital programmes for 2024/25 to 2028/29, for consideration by the Committee in the context of Prudential Guidelines.

The HoF presented this report and noted the following points:

- the Authority's capital strategy has been reviewed and a small number of minor changes have been made.

- Most of the proposed schemes in 2024/25 are to be funded from borrowing, following depletion of the Earmarked Capital Reserve on existing approved schemes.

Resolved that the Committee recommend that the Fire Authority

- a) Approve the Capital Strategy for 2024/25 – 2028/29, set out in Appendix A.
- b) This will be considered in the exempt session.
- c) Approve the Treasury Strategy Statement for 2024/25.

8 Adequacy of Reserves and Robustness of Budget

This report undertakes a full analysis of reserves, provides an assurance on the adequacy of reserves, and gives an assurance on the robustness of the budget.

The HoF presented this report and stated that the reserves have reduced from last year, when an assurance was given of their adequacy:

- (£3.739m) was released for use during the year to cover capital expenditure, slipped revenue spend, one off revenue expenditure and staff costs.
- £1.723m was held in the General Fund at the end of the year due to underspend on revenue budget 2022/23. Of this, £415,000 was rolled forward into 22/23 revenue budgets and £1.308m was redistributed to earmarked reserves.
- £0.182m was added to the Unearmarked Capital Reserve as a budgeted contribution – surplus on revenue budget 2022/23.

Given the anticipated spend on the Telford site as well as the future capital programme, it was felt more prudent to make further funds available for these projects and avoid future borrowing costs in the revenue account. Therefore, it was agreed that most reductions identified in the Authority's reserves were diverted to the Major Project Reserve.

Given that reserves are adequate, The Authority's Treasurer believes that the budget is robust for 2024/25 in respect of the process to minimise errors and omissions, the level set aside for future pay and price increases, and other budgetary pressures.

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 2024/25 budget and adequacy of its reserves.

9 Capital update on Activity and Finance

The purpose of this report is to provide an overview of all the capital schemes within the Service and their status.

The PPO presented this report and noted the following points in the Appendix A:

- Works at Ellesmere, Market Drayton and Whitchurch are complete; however, snagging is taking longer than expected. Formal action may need to be taken against the contractor if no progress is made.
- Refurbishment and roofing works at Tweedale are now complete. Drill yard resurfacing works are to follow through a separate contract. An overspend is showing on this scheme, however some elements will be charged to other budgets, including environmental improvements.
- Work is ongoing at Telford. Technical and supply chain issues continue to impact the works, which will result in increased cost and delayed completion as previously advised.
- Remaining balance is for replacement of Vauxhall Astras in the Group Support team, current preference is Electric Vehicles (EV). The award of the new Police national framework for light vehicles has been awarded with no suitable EV available. The current Vauxhall Astras were purchased direct from Vauxhall with a 100k warranty for first owner, vehicles are approaching 90k. Whilst there is some warranty remaining the preferred position is to evaluate suitable van-based replacements which are more versatile and cost effective. Van models and types are decided, and order is placed.
- A new Zodiac IRB Craft (Inflatable Rescue Boat) with new engine and trailer has been delivered commissioned and is in service.
- Hydraulic equipment replacement is a rolling scheme for the next five years to replace life expired tools and hose. 23/24 order has been placed, 24/25 order will be placed later in the financial year.
- Replacement of Fire Kit has been received and issued.
- Officer Emergency Response Vehicles (OERVs) have been split into two batches and batch one (11 cars) has been delivered and all are in service, 11 old cars have been disposed of via auction. Batch two (13 cars) has been ordered and will be delivered to our converter for 999 equipment install in quarter 1 of 2024.
- Officer Emergency Response Vehicles
- The new outreach vehicle has been purchased and all conversion work is complete and the vehicle in use.
- ICT no changes. Further spend may be required for new alerter devices.

Members asked for clarification on electric vehicles (EV) replacements ordered. CFO clarified that the Service is not in a position to introduce fleet of EVs as no suitable EV are currently available. The Service have been notified by Volvo they are pulling out of diesel vehicles. HoR is looking at how we build resilience into fully electric fleet.

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

10 Equality, Diversity, and Inclusion Steering Group Update

This report provides an update on the work of the Equality, Diversity, and Inclusion (EDI) Steering Group from October 2022 to December 2023.

The EDO presented the report and noted the Steering Group has overseen a wide range of work since October 2022, major elements of which are:

- Service was shortlisted in the final 3 for the 'most supportive employer' award at National Dyslexia Awards;
- The Service attends and supports the following events:
 - Asian Fire Service Association (AFSA) National Conference
 - Attended the Safety Forum for Community Leaders arranged by Shropshire European Organisation CIC.
 - Attended the Shropshire Disability Network AGM (Sept)
 - Using social media to promote local and international events e.g. World Mental Health Day, Holocaust Memorial Day, Time to Talk day, Black History Month
 - LGBT Conferences
 - LGBT Rainbow Film Festival and Pride event in Ludlow
 - SAND (Safe and Ageing No Discrimination)
 - Telford Equality and Diversity Partnership - new group created end of 2023.
- During the past year, the Service has attended or undertaken a range of training
 - Core Code of Ethics online training has been developed.
 - Dyslexia awareness training has been commissioned and delivered.
 - Equality, Diversity & Inclusion induction training has been given to non-uniformed, apprentices, on-call and wholetime firefighters.
 - Internal EDI refresher training continued and has been delivered to all wholetime watches and the majority on call stations to date.
 - Mental Health First Aid Aware training and refreshers Mental Health First Aider courses.
 - Women in the Fire Service development weekend.
 - Suicide Prevention has been offered to all employees.
 - A range of information on different issues has been acquired or developed and is available for employees.
 - A host of EDI webinars have been offered to all staff in the Service.
 - NFCC lunch and learn sessions offered.
- The Service have updated the policy, training is being provided to managers along with ongoing support and advice from the EDI Officer. The EDI officer has delivered practical group sessions for managers.
- The Service promotes national mental health and suicide prevention events internally and uses social media externally. SFRS supported World Mental Health Day in October 2023 and held its first Chomp and Chat event to start a conversation.
- The Service is continuing its work on the Mental Health at Work Commitment Action Plan, which is now incorporated into the Equality Action Plan.
- The Service has now trained:
 - 72 people as Mental Health First Aiders (2-day course)
 - 75 people in Mental Health Awareness (1/2-day course)
 - 48 people in Suicide Prevention
 - 17 people in Suicide Safety Planning.

- The EDI Officer attends the National EDI meetings including menopause, networking, and LGBT+ groups. The Service responds to consultation documents and share information with other Services.
- Operational Secondment ended in February 2023 with all wholetime training completed and the majority of on call stations.
- The Service is continuing to monitor and report on gaps in data and provide reports. Regular reminders are sent to employees to update their data along with information explaining why we need this and how we use this.
- The Service continues to support employees with their reasonable adjustments, this includes all aspects of neurodiversity as well as , physical disabilities and uses access to work to provide funding for some of these adjustments.
- Training is provided to managers on dyslexia awareness and we have recently had a training session on ADHD (Attention Deficit Hyperactivity Disorder) for our training and development teams along with offering online courses to other appropriate employees.
- Equality Action Plan is monitored and reported to the EDI steering group, it details progress on a wide range of EDI initiatives and projects.
- Subscriptions have been renewed for Networking Women in the Fire Service, The Asian Fire Service Association (AFSA), SAND Covenant (Safe and Ageing No Discrimination) and White Ribbon Accreditation.
- Taster sessions were held for both Wholetime and On Call firefighters.
- The Voices group is now embedded since its launch in 2021. Each of the Voices reps meet with the EDI officer to discuss ideas and a workplan for the following 12 months is created. Voices full meetings are held 3 times per year, giving all the Voices reps the opportunity to get together, share ideas and consider intersectionality for their events and activities.
- The Service sends out Voices Newsletters which have been developed with the reps to share the group's work with all employees or to use this as a platform for education or gain feedback from employees.
- Many activities have taken place, list available on page 5 of the report. Some of these are:
 - Rep has been attending the newly created National Black Firefighters Network.
 - Information about world Mental Health Day was put in October newsletter.
 - Confidential closed neurodiversity teams area has been created.
 - Attendance at the LGBTG+ National conference, Birmingham, and Ludlow Pride.
 - Invited as Menopause speaker at the Women's even to share best practice.
 - Menopause
 - Chomp and Chat Meetings held to discuss symptoms, medication exercise and experiences of menopause.
 - Closed teams area where all members post advice and articles/information relating to menopause.

- Further to Women's Safety Survey action plan was created and agreed by SMT. This is now incorporated into the Equality Action Plan as ongoing work.
- Independent Confidential Reporting line hosted by 'Say So' was introduced in May 2023, further to the recommendations in the Women's Safety Survey and subsequent Values and Culture report, briefings to all staff are ongoing.
- Women's Networking Day was held on 24 October, the first the Service has held. It was a remarkable success, with a range of speakers and information.

Members asked for copies of Voices newsletter to send members to keep them informed. The EDO undertook this request. CFO commented on importance of EDI member champion and highlighted EDO presented to LGA on best practice.

Members asked for clarification on how feedback from 'Say so' is being processed. CFO explained 'Say so' is a third party who takes the details that the person is comfortable to share. This information is then passed to CFO, AFCO (SD) or AFCO(SS) who report back to 'Say so' on how allegation was investigated and what action was taken about the allegation.

Members were interested in what data is available about the incidents reported to 'Say so' and if there are any patterns emerging. AFCO (SS) advised that the number of instances are low and there is no identifiable trend emerging from them. 'Say so' was asked to provide us with feedback about action taken, we had none to date. 'Say so' is promoted to every member of staff, and they are made aware of how to use it. Number of calls is published, not themes to preserve anonymity, to encourage staff to come forward.

Resolved that the Committee note the report.

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 22 November 2023, be agreed, and signed by the Chair as a correct record.

13 Capital Programmes 2024/25 to 2028/29, Treasury Management Statement and Capital Strategy

This report presents the capital programmes for 2024/25 to 2028/29, for consideration by the Committee in the context of Prudential Guidelines.

Resolved that the Committee recommend to the Fire Authority

- b) Confirm the 2024/25 onward programmes, set out in Appendix B (exempt paper 13), as part of its final precept deliberations.

14 Capital Update on Activity and Finance

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

Before the meeting closed, the following information was shared:

- CFO shared the sad news about passing of West Midlands Fire Service's Chief Fire Officer, Wayne Brown. Service have shared condolences and extended offer of support to West Midland Fire Service in this challenging time.
- CFO introduced new Executive Support Officer Aleksandra Zydek who will be supporting Lynn Ince in running the CFA and its committees.

The meeting closed at 3.15pm.

Chair _____

Date _____