

**Non-Exempt Minutes of the Meeting of  
Shropshire and Wrekin Fire and Rescue Authority  
Strategy and Resources Committee  
held in the Oak Room, Headquarters  
on Wednesday, 25 January 2023 at 2.00 pm**

## **Present**

### **Members**

Councillors Aldcroft, Carter, Hartin (Vice-Chair), Jhawar, Offland (Chair), Pardy and Wynn

### **Officers**

Simon Hardiman	Chief Fire Officer	CFO
Guy Williams	Assistant Chief Fire Officer	ACFO
James Walton	Treasurer	
Joanne Coadey	Head of Finance	HoF
Andrew Kelcey	Head of Resources	HoR
Lynn Ince	Executive Support Officer	ESO

## **1 Apologies for Absence**

Dan Quinn, Assistant Chief Fire Officer  
Germaine Worker, Head of Human Resources and Administration

## **2 Disclosable Pecuniary Interests**

None

## **3 Public Questions**

None

## **4 Minutes**

**Resolved** that the minutes of the Strategy and Resources Committee meeting, held on 16 November 2022, 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 and highlighted the following points in it:

- Expenditure on pay budget is 72% on average which is lower than anticipated at this point in the year. Areas such as overtime payments are a month behind as they are paid in arrears. There are also several officers who are currently seconded to projects in other organisations and these costs will be recharged.
- Average spend across all budgets (removing grant income) for non-pay budgets is 56%. There are variations in non-pay spend as some areas, such as ICT, will have already paid annual maintenance or support costs, whilst other departments, such as training, will not have incurred high levels of spend at this point in the year.
- The table page 4 of the report sets out the following variances to the budgets:
  - There is a £75k overspend on Overtime within Service Delivery – this is due to employees on modified duties being delayed in returning to normal work patterns by backlogs in accessing medical treatment; and additional shifts being required to address a training course backlog.
  - OC Duty System – Members will be aware of the On Call Sustainability Project (OCSP) and it is proposed that the underspend in this area be used to fund the activities within the OCSP. Officers will look to rescope this budget going forward.
  - Money will be added to the Training budget to complete outstanding training by the end of the financial year. Work is ongoing to align this area with the revenue budget and the training reserve to smooth expenditure through the year.
  - Pensions Consultancy – there has been an overspend in this area due to the change in pensions administration provider
  - Pay Contingency - £62k has had to be found to fund the flat rate pay award made to Green Book staff which was higher than the budgeted contingency. This amount will be built into the revenue budget for 2023/24 and beyond
- Section 5 of the report details the proposed increase to the capital scheme for the replacement of officer response vehicles. The replacement programme will begin in 2022/23 but the existing scheme is not sufficient to complete the first tranche of the programme hence the request to increase this capital scheme.

The HoF gave some additional clarity regarding the response vehicles, which is that the net position was shown on the capital programme rather than gross cost due to the scheme being funding through capital receipts from the sale of current vehicles. The HoR advised that there has been a cost increase on vehicles and officers have been discussing the volatility of purchase prices between buying, and receiving, goods.

The HoR also advised that Volvos are still competitively priced, but BMW has moved out of emergency service vehicles market which may affect prices.

Members asked for further information on the virement for the introduction of a replacement fleet management system and asked for clarity around this. The HoF explained that the Service was using TRACE as its fleet management system, but this needed to be replaced as it was no longer supported by the provider. This did not come to the Committee as a specific item as it could be covered in-house.

Members queried if the overspend on overtime for training was related to clearing the training backlog post Covid and if the training gap will get wider if spending has to be reduced in coming years. The ACFO (SS) explained that there are training courses that are planned in response to issues that arise throughout the year, for example changes in First Response Emergency Care (FREC) meant that additional training had to be given to crews. This acceleration of FREC accreditation mitigates corporate risk and addresses the possibility of closer working for co-responding etc, which is likely to be covered in the White Paper; so, this is a short-term fix with a long-term vision.

The Service is also looking to increase its drone capability within the organisation hence the increased need for drone operator training. Members queried how this increased capability would be funded. The CFO explained that there would be one drone with full capability attached to the Incident Command vehicle that is based at Tweedale and perhaps smaller devices for officers. The CFO also advised that drone operator training must conform to Civil Aviation Authority (CAA) legislation and competencies. The Service has dispensation from flight zones, but it does have to notify the CAA when it is flying drones and is restricted on the hours that it can fly them. The HoF confirmed that the cost of training eight individuals will be covered from the Service Delivery Reserve with provision being made in next year's budget for this.

Members asked if there is a contingency in place for training. The ACFO (SS) confirmed that as part of the shift system pilot, a contingency will be built in, so there is less impact on the training budget going forward.

**Resolved** that the Committee recommend that the Fire Authority

- a) Note the position of the revenue budget;
- b) Approve virements to the revenue budget, where requested;
- c) Approve the capital scheme for replacement of officers' cars; and
- d) Note performance against prudential indicators to date in 2022/23.

## **6 Revisions to the 2023/24 Revenue Budget**

This report presented a final revenue budget package for 2023/24 for consideration by the Committee, and recommendation to the Fire Authority, taking into account latest information.

The HoF presented this report and highlighted the following points:

- At its December 2022 meeting, the Fire Authority received a summary of the revenue budget for 2023/24 as recommended by the Strategy and Resources Committee. This was based on the assumptions that officers were using at that time for scenario planning, and which are set out on page 2 of the report.
- The Government published its local government finance policy statement on 12 December 2022 which set out its intentions for the finance settlement over 2023/24 and 2024/25
- This included confirmation of a 10.1% increase in revenue support grant, continuation of a number of grants and greater precept setting flexibility for the Fire sector allowing an increase of up to £5 without the need for a referendum
- The table on page 2 of the report sets out the Authority's position in light of these developments but prior to debt charges being included in planning
- The Provisional Grant Settlement 2023/24 was announced on 15 December 2022 and the main point of this are set out at Section 4 of the report
- The Government has also confirmed that Pensions grant will continue to be payable to offset increases in employer contributions following the revaluation of Firefighter pension schemes
- Both Shropshire Council and Telford & Wrekin Council have approved their Council Tax bases for 2023/24 with a confirmed total growth of 2.32%, which equates to additional precept of £84,000
- The Collection Fund balances for both constituent authorities are being finalised and these will be reported to the Fire Authority at its February 2023 meeting
- The Service has considered Future Growth and Investment as set out at Section 6 of the report. Three priority projects have been confirmed as the Service's focus and these are the Fire Control Project, the Resources Review and the On Call Sustainability Project (OCSP). Any growth within the budget will be directed towards these projects; prioritisation will be undertaken in allocation to these projects
- The Council Tax referendum limit has been increased to £5 for fire and rescue authorities. The table on page 4 of the report sets out a range of precept increase options for the Committee to consider and decide upon recommending to the full Fire Authority.
- An Efficiency and Productivity Review will be undertaken as part of the new Service Plan and Fire and Rescue Services in England will set efficiency targets against non-pay budgets which will be reported to the Home Office as part of an Efficiency and Productivity Plan.
- It is not expected that any of these efficiencies will be found through a reduction in frontline staff and any savings realised will be reinvested into the Service.
- The OCSP is seen as an essential area for investments to maintain nationally leading levels of performance

- Currently the increase in precept limit has only been confirmed for 2023/24, with a return to a 3% increase limit in 2024/25; budget modelling for 2024/25 and beyond is therefore based on this
- The Authority continues to undertake Medium Term Financial Planning, but medium-term planning and sustainability is made difficult by continued single year settlements
- The final budget options are set out at Section 9 of the report. This includes a £40,000 increase to the base revenue budget which is related to hydrant management.
- The table in this section is based on a precept increase of £5 and is subject to change following confirmation of Collection Fund totals.

Councillor Offland stated that her position on precept increase remains the same as previously. She does not think that the Fire Authority should be increasing its precept due to the ongoing cost of living issues that are faced by constituents.

Councillor Carter stated that this is an important report and whilst he takes Councillor Offland's point; it must be remembered that the Authority has been very prudent in previous years and has taken precept increases when offered. The Fire Services Management Committee (FSMC) has lobbied the Government for a long time, on a cross-party basis, regarding an increased precept level for fire and rescue authorities and this has finally been approved. Having lobbied for this for so long, there is no sense in voting against it now.

Councillor Carter continued that Fire Authority members represent Shropshire Fire and Rescue Service in this environment, and whilst they are rightly aware of the pressures from their home authorities, they also need to be aware of the potential for the Service for losing firefighters and possibly, fire stations. London Fire Brigade (LFB) has agreed a pay increase for firefighters of 6% this year and 5% the year after and the impact of this on current national pay negotiations need to be considered. Councillor Carter concluded by saying that the Authority needs to maintain its financial situation as it currently is. Not taking the increased precept level at this point could put the Service in a financially difficult position in the future.

Councillor Offland responded that Members will have to agree to disagree on some points related to the precept increase.

Councillor Hartin stated that he was pleased that the Authority has increased precept flexibility for at least one year, which gives the Authority the opportunity to move forward with no degradation to service delivery. Councillor Hartin also said that he would prefer any future shortfalls to be funded from reserves if needed, so as to avoid service reductions. Councillor Hartin concluded that he was personally minded that the Authority should accept the opportunity to take the £5 increase due to the lobbying that has taken place on this point.

Councillor Hartin asked if there is any clarity on the impacts of potential pay increases. The HoF responded that the LFB announcement came quite late in the budget discussions but a 1% increase in pay is roughly equivalent to an additional £100k in the budget each year. The HoF also reminded the Committee that it needs to consider that the Authority will need to fund any 2022/23 increase and then find the same amount plus extra next year.

The CFO added that the LFB offer was made last Friday and sits outside the national collective bargaining framework; the formal offer is 6% from July 2022 and 5% from July 2023. The Authority continues to budget on a 5% pay increase as this is the offer that is still on the national negotiating table for all other English fire and rescue services. The LFB offer has split opinions across CFOs; some see it as a way of breaking the pay dispute deadlock, but others view it as a ridiculous offer, as their Services cannot afford an increase of 11%. A £5 precept increase will allow the Service to make a pay award to firefighters that they deserve. Without it, the Service are in a different position and will need to draw on its reserves going forward. Service aspirations will also need to be reviewed and difficult prioritisation decisions made if this situation occurs. A precept increase of £5 gives the Service opportunity to accommodate the pay offer and achieve modest growth and/or development. Not increasing the precept at this point could, potentially, require the Authority to look at reductions in the Service in the future.

Councillor Aldcroft commented that the whole point of the fire and rescue service is to expect the unexpected and to be able to accommodate it. The Authority has the opportunity to make a decision to go ahead with this option now. Councillor Aldcroft added that whilst he agrees with continued lobbying for increased Government grant for fire and rescue services, this will not have immediate impact on the Authority's situation.

Councillor Wynn agreed with the views expressed by Councillor Aldcroft and posed the issue of where the money comes from if the precept does not increase. It is agreed that the Authority wants the Service to have a larger budget but how can this be achieved if the precept is not increased. Opinions have already been expressed that funding should not be taken from reserves and also that the public should not have to pay for increased funding through an increased precept; it is therefore unclear what the alternative is.

Councillor Hartin added that he can see where Members who oppose a precept increase are coming from, as the impact of the increased cost of living on day-to-day life can clearly be seen. Councillor Hartin added that his interpretation of today's discussions is that the Government should be stepping up to address grant issues but realistically this is not achievable in time to address the current issues faced by this Authority. Councillor Hartin concluded by stating that the Fire Authority is here to deliver the best fire and rescue service that it can to the communities of Shropshire.

Councillor Aldcroft said that the Authority is in the position where it can make the decision now. Those authorities that have previously held back on funding are now struggling and all authorities have been given this opportunity by Government to find a way to fund their services going forward.

The HoF reminded the Committee that a Fair Funding Review is to be undertaken by the Government, but this is unlikely to happen within next two years.

Councillor Pardy commented that he recognised that this is a complicated issue for everybody, as taking away the £5 increase could affect those people, the Authority is trying to help.

The CFO reminded the Committee that the 5% pay award offer is still on the negotiating table. There is a Chiefs and Chairs meeting scheduled for 6 February 2023, where this may potentially change.

Councillor Hartin proposed the recommendations in the report with a precept increase of £5.00. This was seconded by Councillor Wynn and with six Members voting in favour, it was

**Resolved unanimously** that the Committee recommend that the Fire Authority approve

- a) A precept increase for 2023/24 of £5.00, as shown in section 7 of the report; and
- b) A revenue budget in line with the precept increase approved above.

## **7 Capital Programmes 2023/24 to 2027/28, Treasury Management Statement and Capital Strategy**

This report presented the capital programmes for 2023/24 to 2027/28, for consideration by the Committee in the context of Prudential Guidelines.

The HoF presented this report and advised the Committee that the paper meets the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities. The Capital Strategy for 2023/24 to 2027/28 is attached at Appendix A to the report and, following a review by officers, there are no proposed changes to the Strategy.

The Capital Programme for 2023/24 and later years has been reviewed by officers and the Schemes that require approval are attached at Exempt Appendix B to the report. The majority of the capital schemes are to be funded from borrowing.

The Authority's Treasury Management Statement for 2023/24 is set out on pages 3 and 4 of the report with the Prudential Guidelines being set out on pages 5 to 7. The Treasury Strategy on pages 8 and 9 of the report covers where and when the Authority will borrow from and sets out the advice on borrowing and lending will be sought from the Authority's Treasury Management advisors, which is Shropshire Council.

**Resolved** that the Committee recommend that the Fire Authority

- a) Approve the Capital Strategy for 2023/24 – 2027/128, set out in Appendix A;
- b) The decision relating to the 2023/24 onward programmes was deferred until item 11 on the agenda, as these were set out in exempt Appendix B to the report, and
- c) Approve the Treasury Strategy Statement for 2023/24.

The Committee adjourned for a 10 minute break at this point (3.05 pm) and reconvened at 3.15 pm.

## **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 presented this report and advised that reserve levels were £17.2m at the end of 2022/21. This has reduced to £14.2m in 2022/23. The levels of reserves and their use will be reviewed as part of the final accounts.

The volatility reserves were increased during the Covid pandemic. This is obviously not an issue anymore, but the Authority does need to ensure that that contingency is still available.

Members asked if the Income Volatility reserve is sufficient going forward. The HoF advised that this is the reserve that the Authority will lean on if there are issues with the pay award so officers will keep this reserve under close scrutiny.

**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 2023/24 budget and adequacy of its reserves.

## **9 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 ACFO (SS) presented this report and drew Members' attention to Appendix A to the report, highlighting the following points:



- A wide blend of activities is being undertaken as part of the Retained Station Building Works
- The Building Improvements at Tweedale Scheme has moved onto external works now that interior refurbishments works are complete.
- The Light Vehicle replacement scheme will look at replacing the Group Support Team (GST) GST Astras, potentially with electric vehicles
- Replacement Appliances Scheme is nearing completion. All ten appliances are in the county and nine of them are on the run across the county. The tenth appliance is currently with the Training Department until March 2023.
- The new Inflatable Rescue Boat is having its final checks and should hopefully be in service before the peak flooding season
- The Fire Kit replacement is due to be completed by the end of March 2023. 75% of the kit has been delivered and 50% has been issued to employees. There has been positive feedback from crews for the new kit
- Mobile Data Terminals etc are now business as usual and a rolling replacement plan is in place for these
- Discussions are ongoing regarding the purchase of new alerters

In relation to Retained Station Building Works, Members asked when improvements were likely to be made to Church Stretton and requested an update on the Pinzgauer. The HoR explained that the Pinzgauer (6-wheel drive vehicle) is extremely old but there is no similar vehicle available for replacement at present. The Pinzgauer is therefore, currently out of service as it is undergoing specialist refurbishment. There is the possibility that a Unimog could be a replacement, but this is a much bigger vehicle. Church Stretton is probably the last Retained station that needs major building works, but the Service are not entering into such projects currently. Any future upgrade of the station will include the need for an enlarged appliance bay.

Members asked if the Service will be going outside the Police framework to purchase electric vehicle vans for the GST. The HoR explained that it is proposed that the Service will opt for petrol or hybrid vehicles due to the mileage they do and the lack of range on fully electric vehicles. The Service are however, still pursuing and using electric vehicles where appropriate but there is the issue of if the investment in them is worthwhile.

Members commented that they are pleased at what has been outlined in the report, particularly regarding climate change and flooding, but there may need to look at another boat. The ACFO (SS) advised that the use of the GST and the deployment of boats will fall under the Resource Review that will be undertaken by the Service and which will feed into Service’s next Community Risk Management Plan.

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

**10 Exclusion of Press and Public**

**Resolved** that the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

**11 Exempt Appendix to Capital Programmes 2023/24 to 2027/28, Treasury Management Statement and Capital Strategy (Paragraph 3)**

The Committee received Appendix B to report 7 - Capital Programme 2023/24 to 2027/28, Treasury Management Statement and Capital Strategy paper which contained exempt information.

**Resolved** that the Committee confirm the 2023/24 onward programmes, as set out in Appendix B, as part of its final precept deliberations.

**12 Exempt Appendix to Capital Update on Activity and Finance (Paragraph 3)**

The Committee received the second part of the appendix to report 9 – Capital Update on Activity and Finance, which contained exempt information.

**Resolved** that the Committee note exempt Appendix B to report 9.

The meeting closed at 3.55 pm.

**Chair**.....

**Date**.....