

**Minutes of the meeting of
Shropshire and Wrekin Fire and Rescue Authority
Strategy and Resources Committee
Held in the Sycamore Room at Headquarters, Shrewsbury
on Monday, 18 November 2019 at 2.00 pm**

Present

Members

Councillors Carter, Hartin (Vice-Chair), Mellings (Chair), Phillips and Wynn

Officers

Rod Hammerton	Chief Fire Officer	CFO
Andy Johnson	Deputy Chief Fire Officer	DCFO
Joanne Coadey	Head of Finance	HoF
Germaine Worker	Head of HR and Administration	HHRA
Lisa Vickers	HR Manager (Contracts)	HRMC
Martin Barclay	Fleet Contract Manager	FCM
Brian Welti	Equipment Contract Manager	ECM
Lynn Ince	Executive Support Officer	ESO

1 Apologies for Absence

Councillors Middleton and Pardy
Assistant Chief Fire Officer (ACFO) Dave Myers
James Walton, Treasurer

2 Disclosable Pecuniary Interests

None

3 Public Questions

None

4 Minutes

The Chair referred to item 5 on the minutes of the previous meeting and updated the Members on progress with the review of delegations to the Committee. The Chair has met with the ACFO and a Task and Finish (T&F) Group has been formed to work on the review. The first meeting of the T&F Group will take place in January 2020.

Also, in relation to item 5, the Chair advised that the next training session for the Committee will cover Treasury Management.

Resolved that the minutes of the Strategy and Resources Committee meeting, held on 12 September 2019, be agreed and signed by the Chair as a correct record.

5 People Strategy Update Report

This report provided an update on the progress that has been made against the objectives within the People Strategy.

The HHRA presented this report and explained that this is a report which was previously received by the Standards and HR Committee and which gives an update on the progress made against the People Strategy objectives in the last six months. The six key areas of the Strategy are set out on page two of the report and the HHRA talked the Committee through section 5 of the report which set out some of the progress made. The HHRA also advised that the People Strategy has been extended by one year to bring it in line with the Integrated Risk Management Planning (IRMP) process.

Members felt that the report was useful as an introduction to HR issues, given that this work is new to this Committee and were keen to see the results of the staff survey which closes at the end of November. The HHRA undertook to bring a report on this to the next meeting of the Committee.

Referring to the change from the Assessment Development Centre (ADC) to Career Progression Gateway (CPG) within the promotion process, the HHRA explained that the ADC assessment process, which involved an interview and roleplay, was costly and required a lot of staff input. The process had been shown to involve more assessment than development at a national level. The Fire Service College offer the CPG process, which is cheaper per candidate and provides assessment at every rank via an on-line process which makes it easier to do prior to interviews. It is also a more thoughtful assessment process with more of a focus on development.

Members asked if the CPG assessment happened before interview. The HHRA confirmed that it is the initial stage of interview process which acts as a 'gateway' to the process for candidates. The Individual Personal Development Record (IPDR) process allows talent to be identified and individuals recommended for promotion, who are then consciously put forward for the CPG process.

Resolved that the Committee note the contents of the report.

6 Update on Occupational Health Provision

This report gave an update on the Occupational Health (OH) service supplied to Shropshire Fire and Rescue Service (SFRS) by the current providers, Shropshire Community Health NHS Trust, McClelland Centre (University of Worcester) and Shropshire Council (Occupational Health Physician).

The HRMC presented this report to the Committee and highlighted the following issues:

- There have been a series of one-year extensions to the two areas of the contract. These will be maintained for the nursing and administration and physician strands with the fitness contract going out to tender
- It is possible that the changes in fitness levels which are due to happen next year will have on the number of fitness assessments being undertaken particularly if more retests are needed
- OH is working with the Service to administer the flu vaccine to those employees who are interested. This is the first time the Service has undertaken this and there has been a take-up of approximately 100 for far with work ongoing to encourage more uptake
- The HR Team are looking to address the issue of 'Did Not Attends' (DNAs) for OH appointments to work being undertaken to identify any possible patterns such as issues with communication
- Work is also being undertaken to highlight the importance of asbestos medicals being completed.

Members asked if there were any other issues with causes of stress as referred to on page 5 of the report. The HRMC explained that a new form of therapy is being trialled for the treatment of Post Traumatic Stress Disorder (PTSD). Several employees have been trained as Mental Health First Aiders with the aim of recognising and destigmatising mental health issues and a number of staff have also completed suicide prevention courses.

The HHRA added that the majority of mental health cases within the Service are due to personal issues rather than being work related but the Service is still able to put methods of support in place. The HRMC explained that counselling for low-level type stress is accessible through the National Organisation of Staff Supporters (NOSS). Support can also be obtained from a clinical chartered psychologist and / or psychiatrist but the provision of this is guided by OH.

The Committee asked if the DNAs were on-call employees and wondered if they had issues with time being granted by their primary employer for attendance at medicals. The HRMC explained that there is no definite evidence of this being an issue but different methods of carrying out medicals are being considered with the OH Doctor.

In response to a query from Members, the HRMC confirmed that this report is brought to the Committee on an annual basis although the Service has quarterly meetings with the OH providers.

Resolved that the Committee note the report.

7 Financial Performance to September 2019, including Annual Treasury Review 2018/19 and Mid-Year Treasury Review 2019/20

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

The HoF presented this report and talked through the issues outlined in it, including the variances to the budget as set out on page 2 of the report; the virements that have been approved under the powers delegated to officers; the mid-year treasury review; and the Authority's current investments. The HoF explained that with regard to lending, local authorities are monitored, and a list of safe counterparties maintained with changes to investments being carried out immediately if needed.

The Chair explained that corporate risk is included in this report as it is an issue that needs to be considered by the whole fire authority.

Members thanked the HoF for the detail included in the report and for the management of the Authority's finances. Members also noted that the inflation rate as mentioned on page 10 of the report has continued to fall and is now at 1.5% with the pound strengthening.

The Committee asked for an explanation of the increase in spend on vehicle parts as set out on page 2 of the report. The FCM explained that there are several reasons including

- the effect of European Union emissions standards. Whilst the Service does not have to comply with these standards, there have been changes in vehicle production to accommodate these which influences price
- changes to systems on the vehicles, such as the compressor system, which is now controlled by electronic systems that make them more efficient but also more expensive to maintain
- Increases in servicing costs for oil etc. The FCM is looking at sourcing parts such as wing mirrors from alternative suppliers.

Referring to the maturing rates of borrowing, Members queried if this was because the Authority is borrowing against physical assets or if it was the yield curve effect or a combination of both. The HoF explained that borrowing is very much a Treasury Services decision, which is made independently made, using information based on the markets and rates available.

It may not necessarily be aligned to what the borrowing is being carried out for. Officers are comfortable with how borrowing is done and the decisions that are made in relation to it.

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) Note the update on capital activities;
- d) Note the update on corporate risk;
- e) Note the annual review of treasury activities for 2018/19 and approve the revised indicator for 2019/20;
- f) Note performance against prudential indicators to date in 2019/20; and
- g) Note the mid-year review of treasury activities for 2019/20.

8 2020/21 and Later Years Revenue and Capital Budgets

This report brought together the elements of an initial revenue budget, based on current planning assumptions, and sought the Committee's approval for this outline to be recommended to the Fire Authority in December 2019.

The HoF presented the report and highlighted the following information that is contained in it:

- The assumptions used to start the 2020/21 budget planning process are set out on page 2 of the report. Expenditure is currently being looked at.
- Page 4 of the report sets out the base budget review and the HoF highlighted the following in relation to this:
 - It is anticipated that the Pensions Grant will roll on as Pensions are not being looked at in the Comprehensive Spending Review
 - Staff savings realised through the IRMP will be permanently removed from the budget from 2020/21
 - Telford & Wrekin Council do not provide a pensions payroll service so provision of this has stayed with Shropshire Council
 - The capital programme figure reflects small incremental increases
 - The base budget changes are related to increases in operational resources with the proposed increases being used to counteract overspends through the year
 - Subscriptions are related to National Fire Chiefs Council (NFCC) membership – the CFO explained that the issue with has been raised with the NFCC and there are not expected to be dramatic increases in subscriptions over the next couple of years. Members asked if the Home Office contributes to the NFCC. The CFO explained that it does for professional standards with match-funding being alluded to but nothing definite has been done about this yet.
- The methodology used to establish the Pay and Price Contingency is set out on page 5 of the report
- The Capital Strategy will be brought to the Fire Authority for consideration in February 2020

- The revised budget position is set out on page 7 of the report and this will go forward to the Fire Authority in December 2019.
- The IRMP process is now underway and will result in a new Service Transformation programme.
- The announcement of the Grant Settlement is now expected after Christmas because of the General Election and legislation needing to be passed before Parliament recesses on 16 December.

Members queried why non-pay prices increases had been provided for at 2.5% rather than 2.0% when there is increasing costs and a negative interest rate. The HoF explained that 2.5% is the Fire Authority estimate of provisions needed to cover costs for the coming year. The aim is to keep increases at a level that will cover everything, but which will not leave money sat in budgets. Members agreed that this was a prudent and sensible approach to take.

Resolved that the Committee recommend that the Fire Authority

- a) Notes the revisions and the committed changes to the base budget, as shown in section 4 of the report;
- b) Bases its pay and price contingency in the revenue budget on the calculations set out in section 5 of the report;
- c) Notes the process for the approval of the capital programme; and
- d) Approves the expenditure figures associated with those approved assumptions as a basis for developing the budget at the meeting of the Fire Authority on 18 December 2019.

9 Reserves and Funds

This report set out the issues, which the Fire Authority will need to consider as part of its annual review of reserves and funds.

The HoF presented this report and explained that the review of reserves and funds is part of the budget setting process. The Authority's reserves and funds strategy is based on the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and whilst the Authority does hold high levels of reserves there are justifiable reasons for this. It is likely that the reserves and funds will total around £3m by 2024 but these have been put aside for specific reasons.

The Chair commented that the main message of the report is that officers are comfortable with the levels of reserves held and have sound reasons for holding them. The Chair hoped that the Committee is comfortable with this and understand why the reserves are in place.

The HoF explained that some borrowing will be required for the Telford Central project and the CFO added that planned use of borrowing is anticipated but this will be done under the direction of Treasury Services.

Members asked if, given that there is the possibility of more national events related to extreme weather and operational conditions, is the level of reserves held enough to deal with some of these incidents. The CFO explained that whilst the boat had been deployed and an immediate response provided, it was fortunate that the severe weather missed Shropshire this year. The costs of deployment to incidents out of county can be claimed back but the impact of these costs on the Service is relatively low. The greater impact comes from significant events in the county where costs such as wages for On-Call staff must be covered.

The Chair acknowledged the work done by the SFRS employees in South Yorkshire and commended the maintenance of response in the county whilst this was happening. The Chair asked that the Authority's recognition of this be placed on record.

Resolved that the Committee propose to the Fire Authority that it confirms the current position of its reserves and funds.

Before closing the meeting, the Chair thanked the DCFO for his commitment to the Service and Authority over the years and in particular, his input and work on the IRMP process.

The meeting closed at 3.15 pm

Chair.....

Date.....