

**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, 12 September 2019 at 2.00 pm**

Present

Members

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

Officers

| | | |
|-----------------|--|-------|
| Rod Hammerton | Chief Fire Officer | CFO |
| Andy Johnson | Deputy Chief Fire Officer | DCFO |
| Joanne Coadey | Head of Finance | HoF |
| Ged Edwards | Planning, Performance and Communications Manager | PPCM |
| Sally Edwards | Head of ICT | HoITC |
| Germaine Worker | Head of HR and Administration | HHRA |
| Martin Barclay | Workshops Manager | WM |
| Lynn Ince | Executive Support Officer | ESO |

1 Apologies for Absence

Councillor Pardy did not attend the meeting
Dave Myers (Assistant Chief Fire Officer)
James Walton (Treasurer)

2 Disclosable Pecuniary Interests

None

3 Public Questions

None

4 Minutes

Resolved that the minutes of the Strategy and Resources Committee meeting, held on 14 March 2019, be agreed and signed by the Chair as a correct record

5 Committee Constitution and Training

This report brought the latest version of the Committee's constitution to the notice of its Members. It also asked Members to consider what training, if any, they wish to receive for them to fulfil their role on the Committee.

The Chair commented that whilst this paper is based on what was formally agreed by the Fire Authority during its recent review of its governance arrangements, there is an opportunity to revisit the Committee's Terms of Reference and identify any areas which could have decision-making delegations attached to them. This would enable consideration of the Committee's role and structure of this Committee and identify possible improvements to the Authority's decision-making process. The Chair suggested that the Committee could commission officers to undertake such a review and bring suggestions back to future committee. The CFO commented that there is the opportunity to undertake this work now, which the Committee has an obligation to do. This is the next stage of the process following the recent re-structuring of the Authority's Committees.

It was proposed by Councillor Hartin, seconded by Councillor Carter and resolved by the Committee, that a small task and finish group, consisting of relevant officers and three Members of the Committee (one from each political group) be established to undertake the review and make subsequent recommendations to the Committee and Authority regarding delegations. The Chair undertook to appoint membership of the Group outside the meeting.

With regard to training, the Committee agreed that it would be useful to establish a schedule of briefing sessions to be held before each meeting of the Committee. These would be 1-hour sessions covering topics such as the medium-term financial planning, budget setting and Integrated Risk Management Planning. It was agreed that the session before the November meeting would cover the 'money-go-round' and that a session on the history of the IRMP will be provided in the forthcoming Member Development Day.

Resolved that the Committee

- a) Note the constitution of the Strategy and Resources Committee (attached as an appendix to the report);
- b) Agree that one-hour training sessions be held before Committee meetings to cover various training issues. The session in November will cover the 'money-go-round'. This will enable Members to fulfil their role on the Strategy and Resources Committee effectively; and
- c) Agree that a Working Group of three Members be established to work with officers to review and make recommendations on what delegations could be made to the Committee.

6 Committee Work Plan 2019/20

This report put forward an amended version of the Strategy and Resources Committee 2019/20 Work Plan for consideration and approval by Members.

Resolved that the Committee

- a) Note the amendments that have been made to the Strategy and Resources Committee 2019/20 Work Plan; and
- b) Approve the Work Plan for 2019/20, attached as an appendix to the report, subject to it being updated to include work on Committee delegations and an additional schedule for training sessions.

7 Financial Performance to July 2019

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

The HoF presented the report and highlighted the following issues:

- The Revenue Budget Directorate Summary, which is attached at the Appendix to the report, shows that the pay budget expenditure is currently around 31% for the year. This is slightly lower than the expected 33% and can be attributed to some employees being paid in arrears.
- Average spend on non-pay budgets is currently 27%. There are variations in how these budgets are spent with some having heavy spends early in the year because of insurance, subscriptions etc whilst others may not spend until later in the year.
- The Finance budget shows a large underspend which is due to income being received but some expenditure budgets not yet spent.
- The Agresso system should aid the future profiling of budgets.
- The establishment and headcount figures quoted in the table on page 2 of the report have been transposed and should read ‘...headcount of 128, with an establishment of 136’.
- The overspend on National Fire Chiefs Council fees is due to the budgeted figure not increasing in line with an increase in fee level. This will be amended in November.
- Interest on investments has increased due to a rise in base rate and levels available to invest so this will be adjusted when the base budget is reviewed. It is possible that interest on investments will fall in the future because of Brexit and the Authority having reduced levels to invest following completion of the Telford Central project.
- The underspend on Corporate Communications was due to two vacant posts in the department which have now been filled.
- Further information on the Equality and Diversity underspend will be provided to Members outside the meeting
- The Emergency Services Mobile Communications Project (ESMCP) is a national project to replace the Airwave radio system and the figure shown is the grant funding for project management. The project was due to happen this year but is now more likely to be 2021/22. The Government is reassessing the business case for funding for the next two to three years.

Members queried whether it was possible that the Authority was looking to increase its budget for returns on investments at the wrong time. Interest rates have come down recently in the UK and across the global money market, but this does not seem sustainable at present. The HoF explained that the increase would only be for this year, but the Authority would look to flex this over future budgets. Officers acknowledge that there is uncertainty going forward and so would not overinflate budget levels at this time.

Members asked if it was possible to look at another provider for Treasury Management services, such as the private sector companies that some local town councils use. The HoF explained that there is a Service Level Agreement in place currently with Shropshire Council, but this can be looked at when the contract is due for renewal in 2020, and other options considered then.

Members expressed concern over investing with local authorities given that some have gone bankrupt and asked if Treasury Services were concerned about this at all. The HoF explained that Treasury Services have an approved list of institutions that they lend to, but this issue can be covered in the next report to this Committee to provide an awareness of the situation.

Members queried why the Fleet Manager position had been deleted. The HoF explained that the underspend is the balance from the merging of the Fleet Manager and Workshops Manager posts. The balance will be reallocated through the restructure of department.

At the request of the Chair, the HoF gave the following overview of the position in 2021 and beyond.

- This is the final year of the Spending Review
- The Fire Authority's Efficiency Plan was approved in 2016 and has remained static until 2019/20, when things became uncertain for budget planning with various options being brought to this Committee for consideration.
- In the recently announced Spending Review, the department grant has not been cut and there may be an inflationary increase.
- Overall, there has been increase of £3 billion in the Departmental Grant, but half of this will go to Adult Social Care and it is uncertain how much will come to the fire sector.
- The model Revenue Support Grant (RSG) assumptions will remain with flexing on precept and pay increases.
- It is hoped that there will be a positive settlement model for RSG plus inflation increases as well.
- The Pension Grant is believed to be with the Home Office but there have been no indications as how or when this will be allocated.

Regarding the Pensions issue, the CFO explained that the burden, which has come from a pensions valuation that is out of the Authority's hands, is much worse for other organisations. It is anticipated that the Home Office will find a solution, but this is still likely to only be for one year.

Members commented that it feels like the Authority is now in a round of annual planning rather than the three-year planning that it has been used to previously. However, the Authority is not in a bad position due to its prudent financial management and the budgetary decisions it made at an early stage and which the Authority worked through with the Service to achieve.

Resolved that the Committee agree to recommend that the Fire Authority

- a) Note the position of the revenue budget;
- b) Approve virements to the revenue budget, where requested;
- c) Note performance against prudential indicators to date in 2019/20.

8 Capital Update on Activity and Finance

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

The PPCM introduced the report and the ICT Manager and Workshops Manager provided further detail on the schemes outlined in the Appendix to the report.

Members asked if there was any heightened risk of cyberattack if ICT products are going out of support. The ICT Manager explained that there is no increased risk as the support refers to the replacement of technologies and does not have any security implications.

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

9 Exclusion of Press and Public

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

10 Capital Update on Activity and Finance (Paragraph 3)

The Committee received Appendix B to report 8 – Capital Update on Activity and Finance, which was to be considered in closed session, as it contained exempt information.

Resolved that the Committee note exempt Appendix B to report 8

The meeting closed at 3.05 pm

Chair.....

Date.....