

**Shropshire and Wrekin Fire and Rescue Authority  
Strategy and Resources Committee**  
held in the Oak Room, Headquarters  
on Wednesday, 22 November 2023 at 2.00 pm

**Present**

Councillors Aldcroft, Hartin (Vice-Chair), 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
Andrew Kelcey	Head of Resources	HoR
Germaine Worker	Head of Human Resources and Administration	HHRA
Lynn Ince	Executive Support Officer	ESO

**1 Apologies for Absence**

Councillors Cook and 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 13 September 2023, be agreed and signed by the Chair as a correct record.

**5 Financial Performance to September 2023, including Annual Treasury Review 2022/23 and Mid-Year Treasury Review 2023/24**

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:

- The chart on page 2 of the report shows the progress of the revenue budget as a whole. Expenditure on pay budgets is 48% on average; average spend on non-pay budgets is 29. Both of these figures are in line with estimated spend to date.
- Spend in each Service area is mainly on track as shown on page 3 of the report, however costs are high in the Service Delivery area and a review will be undertaken to identify the reasons for this.
- Variances are set out in the table on page 4 of the report:
  - Overtime expenditure continues to run higher than budgeted. The external transferee process which commences in January will reduce spend on this, as will the introduction of a new training delivery model.
  - There continues to be underspends on a number of the budgets within the On Call Duty System. These budgets will be rescoped as part of the budget setting process and underspends will be reallocated to the On Call Sustainability Project
  - Several areas of underspend have been identified in the Executive and Resources area. This includes a higher spend on vehicle parts which is related to the extension of useful appliance life from 12 to 15 years. The budget will be adjusted to reflect this going forward.
- Budget virements that have been agreed using the powers delegated to the Chief Fire Officer, Treasurer and Head of Finance are detailed on page 5 of the report.
- The only item of note on the Capital Programme 2023/24 is the continued spend on the refurbishment of Telford Central.
- The Authority is in line with all the indicators in the Annual Treasury Report 2022/23, the details of which are set out on pages 6 -9 of the report.
- The Authority's current investments are shown in the table on page 11 of the report and Treasury Services continue to monitor all investments closely.

**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 activity on capital schemes;
- d) Note the annual review of treasury activities for 2022/23;
- e) Note performance against prudential indicators to date in 2023/24; and
- f) Note the mid-year review of treasury activities for 2023/24.

## **6 2024/25 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 2023.

The HoF presented this report and explained that the focus this stage of the budget setting process is on expenditure, rather than funding. The HoF then highlighted the following to the Committee:

- The graph on page 2 of the report shows the budget moving into deficit in 2024/25 and into 2025/26
- This is based on the budget planning assumptions that were used for the 2023/24 budget and which are detailed on page 2 of the report. These planning assumptions will continue to be used for the 2024/25 budget.
- The Chancellor's Autumn Statement today included confirmation of a 0.5% productivity increase being built into public sector.
- The exercise to identify, record and report efficiencies is continuing, although productivity is more difficult to measure as a starting point needs to be identified first.
- The Service is on track with efficiencies with the aim being to achieve 2% efficiencies and 3% productivity by 2025.
- The Finance Team continue to undertake budget reviews with Officers and the committed changes identified so far are shown in the table on page 4 of the report.
  - The addition of the Operational Support Technician post was approved by the Fire Authority in October 2023 and now needs to be added to the budget going forward.
  - The Pensions Officer post which was agreed at the Extraordinary Fire Authority meeting today, also needs to be included in future budgets.
- Changes in the base budget review are also shown in the table. These include an increase to the budget to cover the increased spend on vehicle parts. The Service has been able to absorb the costs associated with Development assessment processes and laundry decontamination into the budget due to the efficiencies / savings that have been identified.
- Section 5 of the report sets out the efficiencies that have been identified so far. The Authority has managed to achieve the 2% that it needed to find over the two years of its Efficiency and Productivity Plan and this information will be feedback to the Home Office.
- The detail of the Pay and Prices contingency is set out in Section 6 of the report with inflation rates based on a figure of 3%
- The budget details of the Capital Programme will be brought to the Committee for consideration at is January 2024 meeting. Borrowing decisions may be needed in relation to this and these may be based on schemes other than the Telford Central Refurbishment
- Section 8 of the report sets out the revised budget summary which will be considered at the December 2023 Fire Authority meeting.

Members commented that they were aware that an internal structure review of the Service is being undertaken and asked when this would be concluded. The CFO advised that this Review should be ready for February / March 2024 which will allow it to be factored into the 2024/25 budget.

The HoF also advised that growth items will be considered by the Service Management Team in January 2024, with any agreed items being fed into the S&R Committee meeting in that month. The Structural Review will also tie into the Community Risk Management Plan for 2025 onwards.

**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) Notes the efficiencies identified within the base budget, as shown in section 5 of the report;
- c) Bases its pay and price contingency in the revenue budget on the calculations set out in section 6 of the report;
- d) Notes the process for the approval of the capital programme; and
- e) Approves the expenditure figures associated with those approved assumptions as a basis for developing the budget at the meeting of the Fire Authority on 13 December 2023.

## **7 Reserves and Funds**

This report sets 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 advised the Committee that the Authority's reserve position as of September 2023 is set out on page 1 of the report. The following information was also drawn to the attention of the Committee.

The General Reserve as detailed in Section 5 of the report is held to meet known risks that are difficult to quantify or plan for. A reduction has been made to this Reserve to cover the costs of backdated overtime holiday payments and Officers will need to revisit the Reserve at year end to ensure that it is topped up sufficiently to cover this.

The objective of the Major Projects Reserve, as detailed on page 4 of the report, was to build up funding from revenue savings that could then be used to maximise major capital schemes and reduce the borrowing needed for them. As the Authority is now in a position where borrowing is required to fund the capital programme, it has been determined that it is more effective to borrow on an asset that has a longer life. It is therefore likely that borrowing will be set against the Telford Central Project due to its lifespan.

The Service Transformation Programme Staff Reserve covers the staffing elements of Service projects. The Service has now moved onto a new service transformation programme which ties in with its Community Risk Management Plan and this Reserve will reflect that new programme.

Members queried if it was okay to borrow against the Telford Central Project given its predicted lifespan. The HoF assured the Committee that this is okay as the allocation of borrowing is an accounting issue that can be addressed independently when the Authority's accounts are produced.

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

The Committee thanked the HoF and the Finance Team for the thorough and clear reporting that had been brought to this meeting of the Committee.

## **8 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.

## **9 Exempt Minutes (Paragraph 3)**

**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.

## **10 Occupational Health Provision Annual Update (Paragraph 3)**

This report provided the annual update on the Occupational Health Provision for the Service.

**Resolved** that the Committee note the report.

The meeting closed at 2.50 pm.

**Chair** \_\_\_\_\_

**Date** \_\_\_\_\_