



## **Minutes of the meeting of the Essex Fire Policy & Strategy Committee, held on Wednesday, 15 March 2017**

### **Present:**

Councillor A Hedley    Chairman  
Councillor B Aspinell  
Councillor A Bayley  
Councillor J Chandler  
Councillor M Danvers  
Councillor F Evans  
Councillor C Guglielmi  
Councillor C Kent  
Councillor A Naylor

The following Officers were present in support throughout the meeting:

Adam Eckley	Acting Chief Fire Officer and Acting Chief Executive
Mike Clayton	Finance Director and Treasurer
Mark Stagg	Director of Transformation
Roy Carter	Deputy Clerk and Monitoring Officer
Sophie Champion	Committee Officer (Essex County Council)

### **1 Apologies for Absence**

Apologies for absence had been received from Councillor Holland and the substitute was Councillor Evans and from Councillor Erskine.

Apologies were also noted from Dave Bill, Director of Protection, Prevention and Response and Shirley Jarlett, Clerk and Monitoring Officer.

### **2 Declarations of Interest**

Councillors C Guglielmi and M Danvers declared an interest in agenda item 5 - Status of EFA (Trading) Ltd as set out below (minute 5 below refers).

**Type of Interest**

**Nature of Interest**

Code

Director of EFA (Trading) Ltd

**3 Minutes (part I)**

The minutes of the meeting held on 11 January 2017 were agreed as a correct record and signed by the Chairman.

**4 Budget Review January 2017**

The Committee considered report (EFA/014/17) by the Finance Director and Treasurer, which reported on expenditure against budget as at 31 January 2017 and identified and commented on major budget variations. Additionally the report included key indicators that act as lead indicators for expenditure across the Authority.

The Committee was advised that there was an amendment to recommendation three asking Members to approve a carry forward to 2017-18 of a further £90k underspend on Learning and Development activities, with the combined total of the two proposed carry forwards totalling £140k.

The following points were highlighted during the presentation of the report:

- There was an underspend on Wholetime Firefighters and an overspend on support staff and On-Call Firefighters.
- Since January increased activity levels with regard to On-Call Firefighters had resulted in the overspend in this area.
- Non-Pay Related Expenditure remained underspent and therefore approval was being sought to carry forward.
- Within Capital Expenditure the work on fleet workshops was currently paused and there were some deferred decisions.

The following points arose from consideration of the report:

- Concerns were raised regarding the high cost of agency staff used to fill vacant posts on a long-term basis. In response it was explained that there had been a high turnover of support staff equating to around 10% which was a significantly high number and therefore required agency staff to temporarily fill the vacancies. Due to potential changes in the governance arrangements and possible greater integration with the Essex Police Service meant that there may be jobs at risk in the future and therefore it was deemed appropriate to temporarily fill the posts until there was more certainty around the future staffing requirements. Additionally due to the employer pension contributions of permanent staff, there was not a significant cost difference between permanent staff and temporary staff.
- The proposed £90k carry forward due to an underspend within Learning and Development related to a deferred piece of work around gathering information to capture best practise and common practice helping to determine where best to apply resources and engagement. As the workforce was currently engaged in other areas this had been deferred.

- The Service Workshop improvements had now become a critical issue and this had been escalated with Essex and Kent Police in a recent meeting as a decision on a way forward was now needed. It was confirmed that a paper would be going to the Policy and Strategy Committee and the Office of the PCC in May 2017 to outline a way forward as it was now identified as a critical corporate risk. In response to a question regarding a short term contingency plan if the current workshop became unusable, it was explained that under the business continuity plans maintenance would be undertaken at fire stations.

**Resolved:**

1. That the position on income and expenditure at 31 January 2017 compared to the revised budget approved by members on 21 September 2016 be noted.
2. That the capital expenditure spend against budget for the period to 31 January 2017 be noted.
3. That the Committee approved the carry forward to 2017-18 of a £50K underspend on Community safety activities, this to fund setting up of station based activities in line with our service strategy and a £90K underspend on Learning and Development.

**5 Status of EFA (Trading) Ltd**

The Committee considered report (EFA/017/17) by the Finance Director and Treasurer which reviewed the status of EFA (Trading) Ltd and sought approval to make changes to the Company's memorandum and articles of association to change the status of the company to a Community Interest Company and to facilitate anticipated governance changes for the Service.

The Committee was advised that as a Community Interest Company (CIC) EFA (Trading) Ltd would be able to seek external funding to support community safety work. When the company was originally established CIC status did not exist, but it is now possible to apply to re-register as a CIC. A number of Fire Authorities have established CICs or links to them. If these proposals were agreed for consideration by the Full Authority a report would be taken to the April meeting of the Authority.

The following points arose during consideration of the report:

- The change of status to a CIC would enable the company to receive charitable funding to support the community safety work and directly fund and support activities in a way that it cannot currently.
- There were no tax implications from the proposal. The profits of the company could still be donated or retained. It would become more tax efficient.
- It was clarified that this would protect the interests of support for community safety even if governance arrangements did change in the future. It was also clarified by the Chairman that the Fire Breaks project was self funding and that the Police and Crime Commissioner had

indicated that he envisages public safety work expanding.

- Currently the Articles of the Company set out two Director levels, Members (A) and Officers (B). However going forward these Articles were not robust enough to support changes to the governance of the Authority. Therefore it was proposed that the distinction between Directors be removed to allow maximum flexibility, however this would not prevent a mix of members and Officers being Directors in the future.
- It was clarified that the rights of the Essex Fire Authority to trade would transfer over under any new governance arrangements but only in respect of the Fire Service activities. It was suggested that it may be beneficial to discuss with the PCC the appointment of members to the Board of Directors and consider appointing the PCC for continuity.
- Members expressed the view that it was important that the PCC is aware of the company and its role and that it was also important that the work of the Company continues in the future. It was noted that at the current time this is a decision for the Essex Fire Authority.

**Resolved:**

That the Committee agreed the proposals for consideration by the full Authority in April 2017.

**6 Delta Programme - Closure Report**

The Committee considered report (EFA/018/17) by the Finance Director and Treasurer which sought approval to close the Delta (MIS Replacement) Programme.

The Committee was advised that the project had now been completed. There had been some difficulties with the first supplier, as it was found that after scoping they did not have the capability and capacity to deliver so the contract was terminated and a new supplier, Hitachi was brought in and has delivered the project. Lessons had been learnt from the process and there was a degree of future development. It would be an on-going process and users would be meeting to discuss priorities. Overall the cost had come in marginally over budget.

**Resolved that:**

- The Committee noted the successful delivery of the programme at a cost of £1,383k;
- The Committee agreed the closure of the programme.

**7 Day Crewed Housing**

The Committee considered report (EFA/019/17) by the Finance Director and Treasurer which sought approval to delegate to Officers powers to dispose of day crewed housing in support of the 2020 programme objectives.

Currently there is a delegation in place to the Chief Fire Officer allowing the disposal of empty day crewed housing. Through the 2020 programme of service changes that will see crewing of current day-crewed fire stations changing to On-

Call, the disposal of all day-crewed housing is now being looked at. Legal advice had been sought and it was confirmed that the properties had to be sold at the market value. However the properties did not have to be sold on the open market and could be offered to the existing tenants. The arrangements with existing tenants occupying the housing could remain in place until 31 March 2020, then the properties would be disposed of.

There was a potential issue with regard to taxation with the current provision of day crewed housing on a rent free basis, which was customary for employers to provide in these particular circumstances, and which is currently not a taxable benefit. However there was a risk that HMRC may review this test before 2020 and if changes did occur to this being a statutory exemption the Authority would need to decide how to manage the impact of the change.

The flexibility to allow the Authority to dispose of the housing to the existing firefighter occupants was a key consideration in the delivery of the 2020 programme of changes at these fire stations.

Members were very keen that consideration be given to offering the housing firstly to the current occupier and then to Local Authorities prior to it going on the open market. The view was expressed by a number of Members that the Local Authorities may welcome the opportunity to purchase the properties. The Committee therefore agreed to add a recommendation to reflect a three stage disposal plan based on offering the properties firstly to the current tenant, then to Local Authorities and then to the open market.

It was estimated that the properties were worth in total around £3-4million, however there was an assumption that these would be sold after 2020 due to the guarantees made to the tenants currently living in them. The properties were valued annually for the accounts.

#### **Resolved:**

1. That the Committee noted the importance of day crewed staff in the conversion of appliance crewing at those fire stations to On-Call;
2. That the Committee noted the benefit of current day crewed staff remaining in service with secondary On-Call contracts;
3. That the Committee noted the legal advice concerning the disposal of Fire Authority property;
4. That the Committee delegated authority to the Acting Chief Fire Officer to dispose of day crewed housing in support of 2020 programme objectives.
5. That the Committee agreed that a three stage disposal plan be followed based on offering the properties firstly to the current tenant, then to Local Authorities and then to the open market.

#### **8 Date of Next Meeting**

It was noted that the next meeting of the Committee would take place on Wednesday 24 May 2017 at 10.00 am.

The Finance Director and Treasurer proposed that the currently scheduled

October 2017 meeting be brought forward to September 2017. A new date would be proposed in due course.

**9 Urgent Business**

In response to a question the governance arrangements of the Authority in the interim period between the Election and the Authority's June meeting were clarified.

There being no urgent business the meeting closed at 11.07 am.

Signed.....  
(Chairman)

Date.....