

ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



MINUTES OF A MEETING OF THE ESSEX FIRE AUTHORITY POLICY AND STRATEGY COMMITTEE HELD ON WEDNESDAY 23 SEPTEMBER 2015 AT 10:00 AM

Present:

Councillor A Hedley	Chairman
Councillor B Aspinell	
Councillor J Chandler	
Councillor A Erskine	
Councillor A Holland	Vice-Chairman
Councillor J Jowers	
Councillor C Kent	
Councillor A Naylor	
Councillor Lady P Newton	

With:

Debbie Hanson and Martina Lee from Ernst & Young LLP (External Auditors)

The following Officers were present in support throughout the meeting:

Adam Eckley	Acting Chief Fire Officer
Dave Bill	Assistant Chief Fire Officer - Operations
Roy Carter	Service Solicitor
Mike Clayton	Finance Director and Treasurer
Paul Hill	Assistant Chief Fire Officer - Safer and Resilient Communities
Lindsey Stafford-Scott	Director of Human Resources and Organisational Development
Shirley Jarlett	Deputy Clerk and Monitoring Officer
Fiona Lancaster	Committee Officer (Essex County Council)

Apologies for absence were received from Councillor P Oxley.

1. Declarations of Interest

Councillor A Holland declared a personal interest in that she is a Director of EFA (Trading) Ltd, and Councillor J Jowers declared a personal interest in agenda items 6 (Medium Term Financial Strategy 2015-20) and 7 (Fleet Workshops Redevelopment) in that he is the Chairman of the Essex Police and Crime Panel

(minutes 5 and 6 below refer). Councillor Lady P Newton declared a personal interest in agenda item 7 (Fleet Workshops Redevelopment) in that she is the Cabinet Member at Braintree District Council with responsibility for planning (minute 6 below refers).

2. Minutes

The minutes of the meeting held on 24 June 2015 were agreed as a correct record and signed by the Chairman.

3. 2014/15 Accounts and Annual Governance Statement

By general consent, the Committee agreed that agenda item 9 (Auditors' Report on Accounts, EFA/079/15) would be considered as part of this item. Copies of the report, which had been marked 'to follow' on the agenda, were circulated at the meeting.

The Committee considered report EFA/074/15 by the Finance Director and Treasurer providing a summary of the key issues from the audit of the accounts for 2014/15. The Committee also reviewed a revised Statement of Accounts which had been amended to include reference to a cultural review of the Authority undertaken by Irene Lucas CBE, and a Letter of Representation provided by the External Auditors.

The following points arose from consideration of the reports:

- The Committee noted that the draft accounts had been amended following the outcome of the case of Milne vs the Government Actuary's Department (GAD), and the government's acceptance to fund the liability for increased lump sum payments to firefighters who retired between 2001 and 2006. A note of explanation had been included in the accounts, but there was no financial impact on these.
- Councillor Aspinell was advised that any proposal for the Expert Advisory Panel (the appointment of which was one of the recommendations contained within the Independent Cultural Review) to conduct or commission a review of the Members' Allowances Scheme would be a matter for consideration by the full Fire Authority.
- The Committee noted that the External Auditors had overall found no significant issues of concern.
- Members noted that following changes to national guidelines on financial resilience the External Auditors had identified a budget gap. There were sufficient funds in the reserves to enable the Authority to implement its plans to achieve savings, but the detailed plans were not yet available.
- The External Auditors explained that in the light of the cultural review the note on governance arrangements (page 17 of the Auditor's Report on

Accounts) had been amended to 'adequate', recognising the positive steps already being taken to address the findings.

- The Acting Chief Fire Officer drew attention to the assurance given by the Internal Auditor's in respect of Programme 2020, thereby demonstrating that the Authority's approach to achieving financial savings was sound.
- The Chairman on behalf of the Committee and the Authority thanked the Finance Director and Treasurer and his team for their effective management of the Authority's finances.

Resolved:

1. That the Auditors' Report attached as an appendix to report EFA/079/15 be noted;
2. That, following the review at the meeting, the revised Annual Governance Statement be agreed;
3. That, following the review at the meeting, it be noted that no unadjusted audit errors had been identified;
4. That the Statement of Accounts be agreed;
5. That the Letter of Representation be agreed and the Chairman authorised to sign it on the Committee's behalf;
6. That the Chairman and the Acting Chief Fire Officer be authorised to sign the Annual Governance Statement.

4. Budget Review - August 2015

The Committee considered report EFA/075/15 by the Finance Director and Treasurer which reviewed expenditure against budget as at 31 August 2015 and identified major variances to the budget for the period.

The Committee gave detailed consideration to issues relating to the significant underspend on firefighters pension costs due to a reduction in employer contributions to the pension scheme, the additional resilience costs relating to industrial action, the factors reflected in the forecast which required three budget virements, and capital expenditure.

Resolved:

1. That the review of income and expenditure against the budget be noted;
2. That the forecast position for 2015/16 be noted;

3. That the budget virements summarised in report EFA/075/15 be agreed;
4. That the actual position with capital expenditure be noted.

5. Medium Term Financial Strategy 2015-20

Councillor J Jowers declared a personal interest in this item (minute 1 above refers).

The Committee considered report EFA/076/15 by the Finance Director and Treasurer which provided an initial assessment of the financial position of the Authority for the next four years.

The following points arose from consideration of the report:

- Members acknowledged the difficulty in trying to predict what might happen, and the speed of change, in relation to the projected loss of government funding over the next four years.
- The Committee noted that the 2016/17 budget may need to be revised in June 2016 as a result of the 2020 programme.
- The Committee considered the possibility of the Authority seeking an increase in Council Tax contributions. Members expressed the view that the Authority should continue to drive for efficiencies and remain a low tax organisation.
- Members expressed the view that the Authority should consider ways to generate income.
- The Committee indicated that it was content to support planning for an increase in the budget at this stage, and agreed the recommendations, subject to Recommendation 2 being amended to reflect the discussion on the potential level of Council Tax increase.

Resolved:

1. That the range of options for the projected loss in government funding from 2016/17 to 2019/20 be noted;
2. That future funding plans should reflect increases in the level of Council Tax of up to 1.5% per annual be agreed;
3. That Service planning for 2019/20 should reflect a complete loss of revenue support grant funding from the government;
4. That the initial 2016/17 budget should be prepared based on a funded total of £69.145m.

6. Fleet Workshops Redevelopment

Councillors J Jowers and Lady P Newton declared a personal interest in this item (minute 1 above refers).

The Committee considered report EFA/077/15 by the Finance Director and Treasurer on the requirement for a new Fleet Services facility, seeking funding to initiate a project to design and tender for the construction of a new facility to replace the vehicle workshop at Lexden.

The following points arose from consideration of the report:

- The Committee noted that a suitable site had not yet been identified.
- Members indicated that they felt unable to agree to the proposals outlined in the report at this stage, and questioned why the workshop could not be moved to the Kelvedon Park site and whether the Authority had explored collaboration opportunities with other services.
- The Committee expressed the view that the Fleet issue should be included in the 2020 programme.
- The Committee indicated that further background information was required on the potential value of the Lexden site, and on other sites available in North Colchester. In addition, the future development of the A12 and A120 roadways needed to be taken into account and early pre-planning application discussions with relevant District/Borough Councils were advised.
- The Acting Chief Fire Officer explained that, although the potential relocation of the workshop to Kelvedon Park site had been excluded from the original business case for the site, the option to include it had been considered at a later stage, but dismissed by the Fire Authority. He also confirmed that opportunities to work in partnership had been explored, but there was no appetite from other services to find a solution. Outsourcing of the facility had been considered, but was not recommended as it would not deliver any additional benefits.

Following discussion, during which Members expressed some disquiet on the proposed recommendations, the Chairman proposed a new recommendation which was seconded by Councillor B Aspinell, as follows:

Resolved:

That a revised report on Fleet Workshops Redevelopment issues should be submitted to the December 2015 meeting of the Essex Fire Authority.

7. Employee Mental Health and Wellbeing

The Committee considered report EFA/078/15 by the Director of Human Resources and Organisational Development providing an update from the Workforce Transformation Programme project on Employee Health and Wellbeing on the development by employees of a core statement and action plan to improve and safeguard mental health and wellbeing for all Authority employees.

The following points arose from consideration of the report:

- The Committee noted that the action plan had been employee led and had been commended by Mind.
- An event to sign and show commitment to the Mind Blue Light Pledge would be held on 23 October 2015.
- Members welcomed the initiatives and indicated their support.
- The Committee noted that help was available for care support providers, and were reminded of the role carried out by the Fire Fighters Charity.

Resolved:

1. That the Employee Mental Health and Wellbeing core statement and action plan be supported.
2. That Essex Fire Authority be recommended to sign the Mind Blue Light Pledge for Emergency Services.

8. Auditors' Report on Accounts

This report was considered in conjunction with agenda item 4 (2014/15 and Annual Governance Statement) – minute 3 above refers.

9. Invest to Save Proposal – Installation of Solar Panels – Closure Report

The Committee considered report EFA/080/15 by the Finance Director and Treasurer which provided a closure report for the Solar Panels project implemented across the Authority's property portfolio.

The following points arose from consideration of the report:

- The Committee noted the underspend of the final project cost being £1.287m, and the new estimated payback period of 13 years, compared to the 10 years originally predicted.
- The Authority will continue to monitor the benefits and savings achieved.

- Members noted that there had been some complications with the Rayleigh Weir Fire Station installation in relation to the new geothermal heating system and solar thermal water heating, but were reassured that emerging issues arising from the new technology were being resolved.
- The Committee questioned whether there was an opportunity for income generation in relation to the disused property (cottage) on the Kelvedon Park site. The Acting Chief Fire Officer stated that this property would remain in situ until a decision had been made on future planning prospects.
- It was noted that there were solar panel installations on the Pump House and on the new extension at Kelvedon Park.

Resolved:

That the report be noted.

10. Date of Next Meeting

It was noted that the next meeting of the Committee would take place on Wednesday 4 November 2015 at 10.00 am.

11. Exclusion of the press and public

Resolved:

That, having reached the view that the public interest in maintaining the exemption (and discussing the matter in private) outweighed the public interest in disclosing the information, the public (including the press) be excluded from the meeting during consideration of the following item of business on the grounds that it involved the likely disclosure of exempt information, as specified in Part 1 of Schedule 12A of the Local Government Act 1972.

12. Investigation Report

(Exempt under paragraphs 1 and 2 – information relating to any individual or which is likely to reveal the identity of any individual).

The Committee considered report EFA/081/15 by the Director of Human Resources and Organisational Development which provided an update on an investigation.

Resolved:

The Committee **noted** the report.

Closing Remarks

The Chairman, on behalf of the Committee, asked for thanks to be recorded to the Senior Management Board for the way in which they had undertaken their work during the past 18 months.

There being no further exempt business the meeting closed at 11:50 am.

Chairman
4 November 2015