

ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



MINUTES OF A MEETING OF THE ESSEX FIRE AUTHORITY POLICY & STRATEGY COMMITTEE HELD ON WEDNESDAY 14 JANUARY 2015 AT 10:00AM

Present:

Councillor A Hedley	Chairman
Councillor J Chandler	
Councillor A Holland	
Councillor J Jowers	
Councillor C Kent	
Councillor A Naylor	
Councillor Lady P Newton	
Councillor P Oxley	

The following Officers were present in support throughout the meeting:

Adam Eckley	Acting Chief Fire Officer
Mike Clayton	Finance Director and Treasurer
Lindsey Stafford-Scott	Director of Human Resources and Organisational Development
Roy Carter	Service Solicitor
Dave Bill	Assistant Chief Fire Officer - Operations
Paul Hill	Assistant Chief Fire Officer - Safer & Resilient Communities
Shirley Jarlett	Deputy Clerk and Monitoring Officer
Glenn McGuinness	Deputy Finance Director
Christine Connor	Head of Corporate Communications and Media
Linda Boar	Secretary to the Committee
Judith Dignum	Secretary to the Committee

Apologies for absence were received from Councillors J Moyies and A Turrell.

1. Opening Remarks

The Chairman informed the Committee that the new control room had gone live at 8am that morning (one day earlier than scheduled) and was operating effectively, with three appliances having already been deployed successfully.

At the invitation of the Chairman, the Acting Chief Fire Officer updated the Committee on the resilience arrangements during the industrial action planned for

the next three days. The Chairman advised that he would be liaising closely with the Acting Chief Fire Officer and the Assistant Chief Fire Officers and would keep Members updated.

2. Declarations of Interest

The Chairman reminded Members that they should declare any interests at this point or during consideration of the appropriate agenda item.

3. Minutes

The minutes of the meeting held on 5 November 2014 were agreed as a correct record and signed by the Chairman, subject to the addition of the following sentence at the end of paragraph 5 of minute 61 (Acceptance of Partial Performance):

“She added that, although no progress had been made, that did not mean the Authority should stop working and liaising with the FBU.”

4. Budget Review – November 2014

The Committee considered report EFA/001/15 by the Finance Director and Treasurer which reported on the expenditure against budget as at 30 November 2014 and identified major variances to the budget for the year.

In introducing the report, the Finance Director and Treasurer highlighted the continuing underspend on the revenue budget.

The Chairman referred to his disappointment that funds allocated for strategic crewing remained underspent as a result of industrial action short of a strike. He also expressed his support for a move to mixed crewing as a means of retaining fire stations and avoiding the need for compulsory redundancy.

Resolved:

1. That the review of income and expenditure against the budget be noted.
2. That the actual position with regard to capital expenditure be noted.
3. That the forecast expenditure for 2014/15 be noted, with a review of the treatment of the underspending to be brought back to the next meeting of the Committee on 18 March 2015.

5. Draft Budget for 2015-16

The Committee considered report EFA/002/15 by the Finance Director and Treasurer which provided options for the revenue and capital budgets for the Authority for 2015/16, together with information on the budget and business planning process. Initial information on the formula grant settlement share of

national non-domestic rates, council tax base and collection account for 2015/16 were also provided.

Members noted that the budget had been prepared showing figures for a Council Tax freeze as this was the option chosen by the Authority in recent years. The Committee was asked to determine whether an option of an increase in Council Tax should be included in the budget submitted to the full Authority.

The Committee gave detailed consideration to this issue. Members acknowledged that public support for the emergency services in general may help to make a Council Tax increase acceptable, but did not consider it necessary. They noted that an increase of 1% would generate additional income equal to the level of the Government's freeze grant. The Committee considered the potential effects of accepting the grant for a fifth year, noting that, with the exception of the first year, the grants were now included in the Authority's baseline government funding. Members were of the view that the grant should be accepted, and that, therefore, no option of an increase in Council Tax should be included in the budget submitted to the full Authority. In reaching this view, account was taken of the growing tax base and the improvement in tax collection rates. Prudent decision-making and planning over the last ten years was also highlighted.

The following points arose during consideration of the report:

- Some concern was expressed regarding the budgetary pressures expected in future years, regardless of the outcome of the General Election in May. The position was likely to become clearer later on in the year.
- The Finance Director and Treasurer advised that the Support Staff referred to in the table on page 8 of the report were those staff covered by Green Book, rather than Grey Book, terms and conditions of employment.
- The Director for HR and Organisational Development explained that six posts had been removed from HR and training as the functions they delivered no longer met the needs of the service. She gave an assurance that consultants would not be employed to deliver similar areas of work at increased cost.
- The Finance Director and Treasurer stated that, in his view, there would be no further issues causing unexpected budget pressures similar to those arising from the treatment of pension injury payments within the Firefighters Pension Scheme. Changes to pensions administration were due to come into effect during the year, and resources had been planned to manage these. The Chief Fire Officer commented that a great deal of work had been undertaken to understand the pension injury payments issue (which had affected 18 Fire Authorities) and the Authority was now in a strong position to move forward. Other potential areas of concern had also been investigated and, to the best of his knowledge, there were no further issues.

- The Chairman commented that, in order to guarantee quality, the Authority's resilience arrangements were based on fully-trained and equipped Essex firefighters rather than external contractors.

Resolved:

- That the budget be agreed for submission to the full Fire Authority as set out below:

	2014/15 Budget	2015/16 Council Tax Freeze Budget
Net Expenditure	£73,271k	£71,908k
Decrease from 2014/15		-£1,363k
Precept	£38,954k	£39,678k
Band D Council Tax	£66.42	£66.42
Increase from 2014/15		0.00%

- A net expenditure budget of £71.908m (with a Council Tax Freeze);
- A precept of £39.678m (with a Council Tax Freeze);
- A Band D council tax of £66.42 (the same since 2010/11);
- The bands of Council Tax are shown in the following table.

Council Tax Band	2015/16 No Increase
A	£44.28
B	£51.66
C	£59.04
D	£66.42
E	£81.18
F	£95.94
G	£110.70
H	£132.84

- Capital expenditure budget of £8.175m in 2015/16.

- That no option of an increase in Council Tax should be included in the budget.

6. Insurance Pooling – Counsel's Advice

The Committee considered report EFA/003/15 by the Deputy Clerk and Solicitor to the Essex Fire Authority which recalled that, at its meeting on 15 January 2014, the Committee had given agreement in principle to form, in conjunction with other Fire and Rescue Authorities, an entity to act as a pool for insurance purposes. It

had also given approval for Essex Fire Authority to become a full member of the company, for the provision of the necessary financial guarantees and for the commitment to transfer insurances to the pooling entity from 1 November 2014 or thereafter, subject to final arrangements being in place.

The Committee's resolutions had been subject to a subsequent satisfactory review of the report, to be undertaken by the Clerk, and in particular, a diligence examination of the legal advice set out therein. The report detailed the outcome of the review, in particular relating to a Counsel's Opinion on the question of whether the Authority had the required vires to engage in the pooling scheme. Counsel had concluded that it was more likely than not that Section 5A of the Fire and Rescue Services Act 2004 did confer the necessary vires.

The Finance Director and Treasurer gave an update on the current situation with regard to the insurance pool, which was that a Pool Manager had now been appointed and was verifying that the Pool was viable. Should Essex Fire Authority agree to confirm its participation, this would be with effect from 1 November 2015.

In response to a question, the Finance Director and Treasurer provided the following information in response to Members' questions:

- In the absence of the Chief Fire Officer, an alternative nominee (such as the Deputy Chief Fire Officer) would be empowered to represent the Authority's interests at any formal meetings of the pooling entity and to vote on its behalf.
- The pool currently comprised nine Fire and Rescue Authorities and expressions of interest had also been received from other Authorities.

Resolved:

1. That Counsel's Opinion be noted.
2. That it be agreed that Counsel's Opinion provides satisfactory assurance in relation to the matter of *vires* and entering into insurance pooling.
3. That the matters resolved by the Committee at its meeting on 15 January 2014, as set out below, be actioned:
 1. Agreed to the Authority participating in establishing a Fire and Rescue Authorities insurance Pool; and agreed that the Authority becomes a full member of the company and authorises the Finance Director and Treasurer, and the Clerk, to take all necessary steps to achieve this;
 2. Agreed that the Authority utilises the pooling arrangement for its corporate property, liability, motor and other miscellaneous insurance requirements for a minimum period of three years through the pooling entity with effect from 1 November 2014 or thereafter subject to final arrangements being in place;

3. Agreed to participate in a financial guarantee for supplementary premiums should claims against the pool exceed the funding available and authorise the Finance Director and Treasurer to take all necessary steps to achieve this;
4. Agreed that Officers may serve as Directors of the pooling entity and that the Chief Fire Officer or their nominee be empowered to represent the Authority's interests at any formal meetings of the pooling entity and to vote on its behalf; and
5. Agreed to waive the Authority's existing procurement rules that would require competing bids for the provision of insurance services to allow for the provision of cover for losses through the pooling company.

7. MIS Replacement Programme

The Committee considered report EFA/004/15 by the Finance Director and Treasurer which sought approval for an increase in the authorised project costs for the investment to bring in systems to replace the remaining modules of the Management Information System (MIS) from £1,149k to £1,37k.

Resolved:

That the increase in the authorised costs of a programme to procure and implement replacement systems for the last four remaining Management Information System modules be agreed, from a cost of £1,149k to £1,375k.

8. Exclusion of the Press and Public

Resolved:

That 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 paragraphs 1 and 2 of Part 1 of Schedule 12A to the Local Government Act 1972.

9. Minutes

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

The minutes of the extraordinary meeting of the Committee held on 10 October 2014 were agreed as a correct record and signed by the Chairman.

10. Closing Remarks: Essex Fire Authority – Future Committee Support Arrangements

The Committee discussed the decision to enter into a service level agreement with Essex County Council for the provision of committee services to Essex Fire Authority and its committees. It was agreed that information should be circulated

to all members of the Authority to clarify respectively which services would continue to be provided at Service Headquarters and which would now be provided by the County Council.

The meeting closed at 11.05am.

Chairman
18 March 2015