



## **Minutes of the meeting of the Essex Fire Policy & Strategy Committee, held on Wednesday, 21 September 2016**

### **Present:**

Councillor A Hedley	Chairman
Councillor A Holland	Vice-Chairman
Councillor B Aspinell	
Councillor A Bayley	
Councillor J Chandler	
Councillor M Danvers	
Councillor C Kent	
Councillor Lady P Newton	

The following Officers were present in support throughout the meeting:

Adam Eckley	Acting Chief Fire Officer and Acting Chief Executive
Dave Bill	Director of Protection, Prevention and Response
Glenn McGuinness	Deputy Finance Director (Assistant Director of Finance)
Mark Stagg	Director of Transformation
Shirley Jarlett	Clerk and Monitoring Officer
Kevin Suter	Ernst & Young LLP (External Auditors)
Martina Lee	Ernst & Young LLP (External Auditors)
Hannah Cleary	Seconded Member Support Officer
Fiona Lancaster	Committee Officer (Essex County Council)

Roger Hirst, Essex Police and Crime Commissioner and Chairman of the Emergency Services Collaboration Strategic Governance Board, was also in attendance.

Apologies for absence were received from Councillors C Guglielmi and A Naylor, and Mike Clayton, Finance Director and Treasurer.

### **1 Membership of the Committee**

The Chairman welcomed Councillor Alan Bayley and Roger Hirst, Essex Police and Crime Commissioner, to their first meeting of the Committee.

The Committee noted the following changes to its membership, as agreed by Essex Fire Authority at its meeting on 7 September 2016:

a) That in light of a change to Essex County Council's political balance following a recent by-election, Councillor Alan Bayley (UKIP) had been appointed to the membership of the Committee in place of Councillor Dave Blackwell (Non-Aligned). The revised composition of the Committee was as follows: 10 Members – 6 Conservative, 2 Labour, 1 Liberal Democrat and 1 UKIP.

b) That the Essex Police and Crime Commissioner, Roger Hirst, in his capacity as Chairman of the Emergency Services Collaboration Strategic Governance Board, was invited to attend all future meetings of the Policy and Strategy Committee to offer strategic collaboration information on agenda items.

## **2 Declarations of Interest**

Roger Hirst, Essex Police and Crime Commissioner, declared a non-pecuniary interest in agenda item 6 (2015-16 Accounts and Annual Governance Statement) and the sale of the former Essex Fire Authority headquarters site at Hutton.

## **3 Minutes (part I)**

The Minutes of the meeting held on 22 June 2016 were agreed as a correct record and signed by the Chairman.

Members noted that in relation to minute 3, bullet point 3, a decision from the Home Office was still awaited. The Committee was reassured that the Authority had made provision to pay if requested to do so, and that the amount had been set aside as a short-term investment and was readily accessible.

## **4 Auditors Report on Accounts**

The Committee considered report EFA/108/16 prepared by Ernst & Young LLP (presented by Kevin Suter, Executive Director, Ernst & Young LLP) which summarised the findings from the 2015-16 Audit.

The following points arose from consideration of the report:

- The External Auditors proposed to give an unqualified opinion on the financial statements and conclusion on the value for money arrangements. The focus of the value for money review had been on the plans and processes put in place to enable the Authority to set its budget and deal with the council tax precept arrangements. The External Auditors were also satisfied with the arrangements that had been put in place to take forward the recommendations and actions arising from the independent cultural reviews, including those from Sir Ken Knight.
- There had been no issues of override or any evidence that money had been allocated to the wrong year.
- The Committee noted that the External Auditors had overall found no significant issues of concern.
- The External Auditors had taken into account the expectation in relation to the four year plan and financial settlement and considered the assumptions were reasonable at this stage.

- The External Auditors commended the Fire Authority's Finance team and took the opportunity to thank the staff for their assistance and support throughout the year. The Chairman, on behalf of the Committee and the Authority, added his thanks to the team for their effective management of the Authority's finances. The Acting Fire Officer also thanked the Members for their support which had helped to achieve a positive outcome.

**Resolved:**

That the Auditors Report on Accounts be noted.

**5 2015-16 Accounts and Annual Governance Statement**

Roger Hirst declared a non-pecuniary interest in this item (minute 2 above refers).

The Committee considered report EFA/109/16 by the Finance Director and Treasurer providing a summary of the key issues from the audit of the accounts for 2015/16.

The following points arose from the Committee's consideration of the report:

- Members noted that the accounts were broadly the same as those presented on 22 June 2016. The main significant change made after the Balance Sheet date related to the sale of the former headquarters site at Hutton, with around £8.4m held as an asset. The Authority, working closely with the External Auditors, had planned in advance how the Hutton sale issue would be disclosed in the accounts.
- Overall, expenditure had been contained within budget. The small overspend on pay was mainly due to retained firefighters providing additional cover as a result of industrial action.
- Accounting policies were in line with previous years and there were no examples of deviation from these or the code of practice on local authority accounting 2015-16.
- Proceeds from the sale of assets were being used to help fund the organisational change costs.
- There had been no borrowing in 2015/16 and no plans to do this in 2016/17.
- Members noted the treatment in relation to the Government's funding of the liability for increased lump sum payments to firefighters who retired between 2001 and 2006, following the final determination in the case of Milne v Government Actuaries Department (GAD). A note of explanation had been included in the pension fund accounts, but there was no net financial impact on the Authority as these payments had been funded by a separate grant from the Home Office.
- The Authority was in a strong position with its level of reserves.

**Resolved:**

1. That, following the review at the meeting, it be noted that no unadjusted audit errors had been identified;
2. That the Statement of Accounts be agreed;
3. That the Letter of Representation be agreed and the Chairman authorised to sign it on the Committee's behalf; and
4. That the Chairman be authorised to sign the Statement of Accounts.

**6 Budget Review and Revised 2016-17 Budget**

The Committee considered report EFA/110/16 by the Finance Director and Treasurer which reviewed expenditure against budget as at 31 August 2016 and identified major variances to the budget for the period. It also provided a revised budget for 2016/17 to reflect the implementation plan for the Programme 2020 and sought approval for the revised budget and the resulting transfer of £2.9m from reserves.

The following points arose from consideration of the report:

- The Committee noted the £60k overspend on employment costs.
- The spend on whole time firefighters was under budget. For on-call firefighters the spend was £42k over budget. Members noted the additional information provided on head count numbers which would be further improved to explain the trends.
- Support staff pay was £201k above budget and the largest factor in overspend related to the employment of interim staff in the HR and training departments as a result of a departmental reorganisation. The budget proposal included additional funding to enable spend to be brought back to within revised budget by the end of the financial year.
- Recruitment was already underway to appoint resources into the HR department and to move away from the reliance on interim management staff.
- The Committee noted the challenges in recruiting on-call firefighters to work in some stations such as in Ongar, where the number of incidents was low. An agency had now been commissioned to start a recruitment campaign and to encourage local businesses to support their staff to get involved.
- Members noted the revised budget with the main changes, including: £3.1m of costs associated with early exit options for around 45 firefighters; additional funds required for the restructuring of the HR department and extra training costs; additional resources required to support the Programme 2020 plan; and £200k for backdated pension contributions for day-crewed firefighters.

**Resolved:**

1. That the position on the Authority's income and expenditure at 31 August 2016 compared to the original budget be noted;

2. That the capital expenditure spend against budget for the period to 31 August 2016 be noted; and
3. That the revised 2016-17 budget and the net use of £2.9m of reserves be agreed.

**7 Progressing the Lucas Review Recommendations for Essex Fire Authority Members; specifically in relation to the outcomes of facilitated workshops held February-March 2016 – Update Report**

The Committee considered report EFA/111/16 by Hannah Cleary, Seconded Member Support Officer, which provided an update on the activity undertaken since the last meeting on 22 June 2016 and future plans.

Members considered the proposed approach to hold a further three sessions facilitated by SOLACE and emphasised the need to hold these well in advance of the 2017 local Council elections. Ideally, the resulting and ongoing development needed to be in place for new Members and overall implementation from May 2017. These additional sessions would build upon those that had taken place earlier in 2016, and also address some of the recommendations made by Sir Ken Knight in his recent report.

The Committee noted that the Seconded Member Support Officer would continue to explore training and development options including those offered by the Local Government Association as part of this overall programme of work.

**Resolved:**

1. That the supporting activity undertaken since the meeting of 22 June 2016 in relation to webcasting and publication of Member profiles be noted;
2. That the proposal to engage SOLACE for a further 3 sessions during autumn 2016 and spring 2017 in respect of the following be approved:
  - i. Roles and Responsibilities
  - ii. Scrutiny and appropriate challenge
  - iii. Reflection and future steps
3. That a further report in respect of the 'Member Induction/Ongoing Development' and 'Communications and Engagement' strands be brought to the next meeting of the Policy and Strategy Committee for progression.

**8 Date of Next Meeting**

It was noted that the next meeting of the Committee would take place on Wednesday 2 November 2016 at 10.00 am.

**9 Exclusion of the Press and Public**

**Resolved:**

That having reached the view that, in each case, 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 items of business on the grounds that it involved the likely disclosure of exempt information as specified in paragraphs 1 and 4 of part 1 of Schedule 12A of the Local Government Act 1972.

[The External Auditors, Roger Hirst, Essex Police and Crime Commissioner, and Hannah Cleary left the meeting at this point].

**10 Minutes (part II)**

The confidential minutes of the meeting held on 22 June 2016 were agreed as a correct record and signed by the Chairman.

The Committee noted one outstanding Member request in relation to the work of the Principal Officers HR Committee which would be followed up on.

(Please note that a fuller record is set out in the confidential appendix of the meeting).

The meeting closed at 11.20 am.

Signed.....  
(Chairman)

Date.....