

CAMBRIDGESHIRE AND PETERBOROUGH FIRE AUTHORITY
POLICY AND RESOURCES COMMITTEE: MINUTES

Date: 4th October 2018

Time: 10.30 am – 11.30 am

Place: Fire and Rescue Services HQ, Hinchbrooke Cottage, Brampton Road, Huntingdon.

Present: Councillors: S Bywater, M Jamil, L Nethsingha, D Over, K Reynolds (Chairman) T Rogers and M Shellens.

70. APOLOGIES FOR ABSENCE

Apologies for absence received from Councillors D Giles and M Smith.

71. DECLARATIONS OF INTEREST

None.

72. MINUTES OF THE MEETING HELD ON 26th July 2018

Clarity was sought on a number of points in the minutes including;

- *Point 25 – Minute 57 ‘Integrated Risk Management Plan Refresh Update’.* Would updates on the audits carried out regarding Fire Assessments on Schools be provided **Action RH to provide an update**
- *Point 67 (Page 7 of 44) Unadjusted Audit Differences*
It was clarified that they were carried forward from year to year but were adjusted in the financial year
- *Point 67 (Page 8 of 44) CIPFA software package*
It was clarified that there will be a dummy run of the reporting this year to ensure that the software is working correctly ahead of the end of the financial year. Work is ongoing with CIPFA on this.
- *Point 67 Page 21 Recommendations and Action Plan.*
It was clarified that valuers were not changed every year but the methodology for valuations changes. The Authority had recently changed valuers after having the old valuer for a number of years.
- *Point 68 - Fire Authority Reserve Strategy - Utilisation of reserves*
Query in relation to the level of reserves that the Authority cannot go below. It was clarified that by rule of thumb this would be up to 8% of revenue budget.

- *Point 68 - Action in relation to leavers figures broken down by age group.* Could a copy of the figures be circulated to all Committee Members again **ACTION**.
- There was also discussion around the projected number of leavers and what was being done to tackle the gaps. It was highlighted that the aim was to train new recruits early before existing firefighter leave.
- *Point 71 Type 2 Projects – Updates PO93 Co-Responding Project.* It was clarified that the three firefighters in March that were awaiting their CBS checks had now had them completed.

The minutes of the meeting held on 26th July 2018 were confirmed as a correct record and were signed by the Chairman.

73. POLICY AND RESOURCES COMMITTEE MINUTES ACTION LOG

With reference to the published Log and Minutes from the 26th July meeting the following oral updates were provided:

- Minute 101 - Still no news on pension changes but an outcome was expected in early 2019.
- Minute 32 – A meeting between Chairpersons is scheduled for 17 October 2018 to discuss the ICT Shared Service Agreement.

The Minute Action Log was noted.

74. MINUTES OF 24th JULY OVERVIEW AND SCRUTINY COMMITTEE

The minutes for the Overview and Scrutiny Committee meeting held 29th July were noted.

75. TREASURY MANAGEMENT POLICY AMENDMENT – INVESTEMENTS

Matthew Warren, Deputy Chief Executive Officer presented a report to seek approval to amend the current Treasury Management Policy.

The report outlined the challenging investment environment for the reserves that the Authority holds and the continued need to diversify the investment portfolio to ensure that funds are secure and can earn optimum return. It also set out the revision of ratings and limits to secure spread of investments that will work on a day to day basis. The revised policy also outlined the reserve strategy to ensure that funds can continue to be invested in appropriate institutions whilst securing a competitive rate of return.

Members discussed a number of points including rates of return and interest rates.

It was clarified that achieving a better rate of return that would mean that the Authority would have to invest for longer and would have to drop the AAA rating.

Members discussed the money market fund and it was explained that at present there was no proposal to use this. It was also clarified that the Authorities current advisors were Link Asset Services. **Action: M Warren to bring an update if the strategy changes.**

Clarification was sought on 'Historic risk of default' at point 5. It was clarified that it is the rate of return you are given over time.

Clarification was also sought from on the initials CNAV/LVNAV/VNAV that appeared under Money Market Funds in the table at point 6 of the report
Action: M Warren to clarify

Members agreed to an amendment to the propose maximum amount for Money Market Funds to be 50% of available funds amended from 100%
Action: M Warren to amend

Members discussed concerns that the Authority was only getting 0.5% interest and that they were losing £3.5 million a year in inflation.

The proposed move to Monkwood was discussed and it was explained that this was still at the planning stages with the estimated cost of the move being based on St Johns £2.5 million. However it was explained this was likely to rise.

Members sought a paper on cash flow to show how much should be easily available and the relative risk on going on a higher return. **Action: M Warren to bring a paper in December/January.**

Members felt that it would be beneficial to invite Link Asset Services to Committee to discuss the options. **Action: M Warren to arrange**

The Chairman thanked Committee on the quality of the questions that reflected the talent in the Committee.

It was resolved unanimously to:

approve the amended policy.

76. REVENUE AND CAPITAL BUDGET MONITORING REPORT

The Committee considered a report on the update of revenue and capital spending as at 31 August 2018.

The following points were highlighted to Committee in reference to the budgetary control summary at appendix 1 of the paper:

- *Full time Firefighters* – This line is overspending and will increase. Committee approved a reserve at their last meeting. There was a need to closely monitor this.
- *Local Government Employees* – slightly underspent. A large invoice was due on pensions and this has now been received so the underspend will balance out.
- *Training* – new firefighter training would not be underspent by the end of the year.
- *Premises* – Dogsthorpe's value has gone up. Going through the challenge process at the moment. Contracts come in at varying points in the year so this figure will be much closer by year end.
- *Operational fire budget* - Significant incidents in August which will follow through September at Octobers spend. Expect it would be much closer.
- There was a general reserve for additional operational activity. It would be overspent but not significantly.
- A 2% pay award had been budgeted, which has now been confirmed. This would not have an impact on figures. This would need to be backed to 1st July 2018. The reward has been put through as a one year deal. This was just an uplift for cost of living. Other issues have still not been resolved.
- New recruits financial impacts around a million and this was set in the reserve.
- *Transport and moveable plant* – only 25% spent. Vehicles tend to come in at the end of the financial year.
- *IT*– there has been a server refresh –anticipate that spend will be much closer to profile at year end.
- *Communications Equipment* - ESMCP has been delayed by 3 years. This does create a real issue re aging equipment. Continue to push re the new control system. This may put cost up

Committee discussed the issues in relation to the delays in updates to digital communications equipment. There were concerns regarding the percentage of radio drop outs in urban areas. Sites where there are known to be issues e.g. prisons, hospitals and shopping centres are tested on a regular basis and boosters are used. There was also involvement in new builds particularly high rise to ensure measures were in place.

It was clarified that Airwave is a national contract (owned by Motorola), which was due for roll out in 2019 but this has now been delayed for a further three years. There is continued uncertainty on the specification that ESMCP provides. Cambridgeshire would be one of the first for role out.

The Car and Cycle allowances variance of 49% was queried. There had been an issue with HMRC over the past two years and the current position has yet to be accepted. Sending people on standby is costing in mileage but this is needed to maintain operational fire engines. It was discussed that this should be in the retained firefighter budget.

It was resolved unanimously to:

note the position on revenue and capital spending.

77. PUBLIC SECTOR PENSIONS RE-EVALUATION OF UNFUNDED SCHEMES

The Committee considered a report on the public sector pension re-evaluation of underfunded funds.

The purpose of the report was to provide the committee with an update on the outcomes of the Government Actuarial Department (GAD) re-evaluation of public sector pensions where there is no pension fund. This review is done every four years.

In 2011, the government consulted on how discount rates would be used to set public service pension contributions. The revised methodology introduced the cap and share policy and was designed to ensure cost pressures are shared between employers and employees up to an agreed employer contribution cap, beyond which further increases will be the responsibility of the employee.

The Treasury provide a safety net in 2019/20. Government were having further discussions with the GAD on this.

It was highlighted that there would be no impact in the next financial year. An update will be brought back to committee once further updates are provided.

It was resolved unanimously to:

note the current position.

78. FIRE BRIGADES UNION NATIONAL BLACK AND ETHNIC MINORITY OFFICER

The Committee considered a report on the arrangements being put in place to support the Fire Brigades Union (FBU) National Black and Ethnic Minority Officer and to highlight the associated benefits to the fire and rescue service both locally and nationally.

The role is part of the FBUs national structure but not a funded role. A Cambridgeshire Fire Fighter has been put forward for the role. It was felt from discussions with the Union and the equality team that it would be advantageous for the role to be split 50/50 on a work time basis. Appendix 1 of the report sets out the specified benefits that the CFRS require from the secondment. The contract 12 month period and reviewed in October every year. The role was over a four year period.

It would raise the service's profile at a national level and help attract a diverse workforce. The service had some way to go on BME recruitment compared to peers. The suitability of the arrangements would need to be continually reviewed to ensure that the Service received the benefits set out in appendix 1.

The Committee congratulated the FBU National Black and Ethnic Minority Officer and offered their support in relation to the new role.

It was agreed to support the partial release of this employee, this was proposed by Cllr Bywater and seconded by Cllr Rogers
Chair

It was resolved unanimously to:

- note the contents of the report and;
- support the partial release of this employee.

79. POLICY AND RESOURCES COMMITTEE WORK PROGRAMME

No additions were made to the work programme. The work programme was noted.

74. DATE OF NEXT MEETING

Members noted that the next meeting was scheduled for 20 December 2018. Councillor Shellens gave his apologies in advance for this meeting. The meeting closed at 11.30am.

Chairman
20th December 2018