

Cambridgeshire and Peterborough Fire Authority Minutes of the Policy and Resources Committee meeting

Date: 31 January 2023
Time: 2.00pm – 3.15pm
Place: Fire HQ, Huntingdon
Present: Councillors: S Bywater, B Goodliffe (Chair), M Jamil (Vice Chair), E Murphy, D Over, K Reynolds, P Slatter and M Smith
Officers: Jon Anderson, Dawn Cave, Shahin Ismail, Stuart Smith, Chris Strickland, Deb Thompson and Matthew Warren
In attendance: Rachel Brittain and Wanda Khonjwayo (BDO)

There was a minute's silence for Scottish Fire and Rescue firefighter Barry Martin who had recently died after attending a fire in Edinburgh. The Chair said that the thoughts of CFRS were with the family and colleagues of Mr Martin at this sad time.

25. Apologies for absence and declarations of interest

Apologies were received from Councillor Atkins.

There were no declarations of interest.

26. Minutes of the Policy and Resources Committee held 20th December 2022

The minutes of the meeting held on 20th December 2022 were approved as a correct record.

27. Action Log

The Action Log was noted. All action were completed or in hand.

28. Draft Fire Authority Budget 2023-24

Members considered the draft Fire Authority Budget for 2023-24, the draft Medium Term Financial Strategy for 2023-28, and the detailed medium term capital programme for 2023-27.

The Committee had been briefed at its meeting in December 2022 about the government announcement on how Fire Authority Council Tax levels could be increased. At that meeting, the Committee had agreed the forecast budget for 2023/24, to include public consultation on the maximum £4.95 Council Tax increase. The draft budget had also been shared with members of the Overview and Scrutiny Committee at their meeting on 19/01/23, where no changes were requested. The presentation of the Budget had changed significantly compared to previous years. The main increases related to pay, with budgeted increases of 5% for 2022-23 and 4% for 2023-24. These pay increases could be paid for by the Council Tax increases recommended. If that recommended increase was not realised, the Service would need to revisit its business continuity plans.

A Member observed that inflation was a major unknown, and asked what would be done with the contingency at the end of the year? Officers advised that there were still Reserves, which were sufficient, and all indications were that inflation would reduce. The Member commented that he had not felt that last year's budget was strong enough.

A Member queried the considerable increase in Consultant Fees, from £214,000 in 2022-23 to £414,000 in 2023-24. Officers advised that some of this related to specialist advice in relation to Property, especially around pre-application. The majority of the increase related to a specific technology, where skilled staff had left the in-house team and it was difficult to recruit as it was a niche market. As an alternative, resource was bought in as and when required.

A Member asked whether staff managers at all levels were reviewing costs continuously, particularly in terms of justifying new appointments to vacancies. Officers confirmed that this was the case.

The Committee received a Public Question from Mr Mark Harriss, a CFRS employee, in a private capacity. An officer observed that as FBU representative, it was difficult for Mr Harriss to speak independently on the issues raised:

On page 10 of the draft budget book 2023/2024 (Agenda item 4 Appendix), you write: "The pay award for operational staff is still yet to be determined but it has been assumed to be 5% for 2022/23 for the preparation of the 2023/24 budget." and "we have assumed pay increases of 4% going into 2023/24".

In November 2022, the 5% pay award was rejected and called an insult by firefighters, so much so, that in December a ballot for strike was launched with the result due on 30th/31st Jan.

We know that 2022 inflation hit over 11%. The Office for Budget Responsibility (OBR), which advises the government on its economic plans, forecasts that CPI inflation will be 7.4% in 2023.

Aren't the figures you provide a little low? And have you forecasted for inflation matching (or beating) pay awards for both 2022 and 2023?

The Chair advised that a written response would be sent to Mr Harriss.

Action required: Deputy Chief Executive Officer (*response attached as Appendix 1*) Briefly, officers commented that the assumed pay rises were within the context of the overall funding package, and that the Fire Authority had to live within its means: the 5% and 4% respective annual pay increases represented what was achievable within the financial constraints detailed, and the recommendations set out. In addition, it was noted that government was warning against higher pay awards which could lead to pay inflation.

It was resolved unanimously to:

1. review the budget book attached at Appendix 1 and endorse the recommendations detailed on Page 17 within it:
 - (i) that approval is given to a Fire Authority budget (as detailed in Appendix 1) to the requirement of £33,678,280;
 - (ii) that approval is given to a recommended Fire Authority precept for Tax from District Authorities and Peterborough City Authority of £24,134,451;
 - (iii) That approval be given to an Authority Tax for each band of property, based on the number of Band D equivalent properties notified to the Fire Authority by the District Authorities and Peterborough City Authority (302,095):

Band	2022/23	Authority Tax	2023/24	Band	2022/23	Authority Tax	2023/24
A	£49.98	+£3.30	£53.28	E	£91.63	+£6.05	£97.68
B	£58.31	+£3.85	£62.16	F	£108.29	+£7.15	£115.44
C	£66.64	+£4.40	£71.04	G	£124.95	+£8.25	£133.20
D	£74.97	+£4.95	£79.92	H	£149.94	+£9.90	£159.84

- (iv) That approval is given to the Capital Programme detailed in Appendix 2.

29. Annual External Audit Report

The Committee considered the Annual External Audit Report. Members noted that this late report had been accepted by the Chair for the following reasons for urgency and lateness:

Reason for lateness - finalisation of comments

Reason for urgency – Policy and Resources is the most appropriate Committee to consider the Value For Money report and finalisation of the audit work which has already had significant delay.

Rachel Brittain of BDO introduced her BDO colleague Wanda Khonjwayo, who would be working with the Authority, going forward. She thanked Members for their patience, as this report had been outstanding for some time. The report summarised the key issues arising from BDO's audit of the Fire Authority for the year ended 31/03/2021, and an unqualified opinion of the Authority's financial statements on 14/02/2022 had been issued.

It was noted that the External Auditors were now required to review and report on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources, and report on any significant weaknesses in those arrangements. No such weaknesses had been identified, and the report was very positive. The External Auditor advised that the Authority needed to continue to robustly monitor the impact of inflation on its funding position.

In response to a Member question, it was confirmed that there were a number of minor recommendations arising from the Audit, which were set out on the penultimate page of the report. It was also noted that the Auditor's Annual Report would be published on the Fire Authority's website. Action required: Scrutiny and Assurance Manager.

It was resolved unanimously to approve the Audit Completion Report.

30. Revenue and Capital Budget Monitoring Report 2022-23, including a mid-year Treasury Management Update

Members considered an update on revenue and capital spending as of 31 December 2022.

There had been no significant changes since the Monitoring Report had been presented to the December Committee meeting. Many of the budget lines were showing underspends, as the full impact of inflationary increases had

not yet been incurred. It was confirmed that there was no government support for energy costs.

The operational fire budget related to On-Call firefighter expenditure, which fluctuated according to demand. The budget was significantly overspent due to the high levels of operational activity over the summer months. The Home Office had indicated that it may grant funding to cover the financial impact of such spare conditions. It was confirmed that the spare funding, if forthcoming, should be received by the end of the current financial year.

In terms of the Treasury Management review, there had been no major changes, other than cash reserves reducing significantly due to property projects. Many public bodies were opting to no longer invest in banks domiciled in countries with questionable ethical standards, and therefore it was likely that those investments would be reviewed and reinvested in UK based institutions, when they matured in the coming months.

It was resolved unanimously to:

note the position on revenue and capital spending and the mid-year treasury management update attached at Appendix 2.

31. Fire Authority Programme Management – Monitoring Report

Members considered an update against the 2022/23 projects.

The Committee noted issues around the ongoing delays with the Replacement ICCS and Mobilising Solution, where extended timescales for some planned work could cause issues for meeting overall timescales. A decision would be made in early April on when to go live with the new system, which may be after the summer. The likely process, including moving the Control Room to St Ives temporarily whilst the new technology was installed at Service Headquarters, were noted.

With regard to the Review of Operations project (P137), the focus was moving from business continuity to the flexibility and efficiency side of project. This project would mean the Service was well placed to deal with the next HMICFRS Inspection round on productivity and efficiency. The Strategic Brief template for the Inspection had changed four times over the last month, and the advantages of being early in the Inspection process were noted. It was also noted that this should also meet the government's requirement for Fire Authorities to provide an efficiency statement plan to the Minister to justify a decision to increase the precept by £4.95.

It was resolved unanimously to note the programme status report, as of December 2022, attached at Appendix 1.

32. Strategic Risk and Opportunity Management Register

The Committee considered an updated strategic risk report, as of January 2023, highlighting those risks that were considered above the risk appetite of the Authority.

Members noted that the report had been accepted by the Chair for the following reasons for urgency and lateness:

Reasons for Lateness – capacity to complete the report has been impacted by the HMICFRS inspection.

Reasons for Urgency – the Risk review to Policy and Resources is overdue.

Cyber-attacks remained one of the highest risks posed to the Service, and work continued to keep systems protected as new threats came forward, including educating staff on the emerging threats.

There were a number of risks related to fire from electric vehicle battery and large battery energy storage sites, especially as there was a lack of UK guidance and legislation around these issues. Members discussed these issues, noting that proprietors of EV and battery storage facilities should be undertaking their own risk assessments. The key issues were how the risks with electrical batteries were mitigated, and the issue of capacity to deal with these issues. The recent issue of JustEat scooters in Cambridge was noted. The main problem was that the legislation had not yet caught up with the technology. Until that point, a pragmatic approach was being taken, in discussion with partners and governmental departments.

An error was noted on the presentation of Risk Number STA-R221 in the report.

There was a discussion on the increase in solar panel battery storage being housed in attics in domestic properties, which often also housed combustible materials. There was also a question about the proliferation of log burners. Officers commented that log burners were more easily dealt with, whereas battery fires were harder to deal with as the thermal runaway process meant that such fires did not need oxygen. The Fire Service does not have any jurisdiction on domestic properties, so was reliant on appropriate legislation coming forward. A Member suggested greater public awareness and education may be required.

A Member suggested that evidence of attendance at an increasing number of battery fires could be used to put pressure on MPs and government departments. It was confirmed that information on battery fires had to be extracted manually, but it was agreed that this could feed into the community safety messaging. Action required.

A Member suggested that the Fire Service could consider input into the training of apprentices and new workers in emerging green technologies.

It was resolved unanimously to review and note the Strategic Risk report.

34. Estate projects – update

Members received an update on current and proposed estates projects.

It was noted that a full report on the new Huntingdon Fire Station and Training Centre would be considered at the Fire Authority meeting on 10th February. Pre-applications discussions with Huntingdonshire District Council were still ongoing regarding the current site. A positive decision was expected, but it was taking longer than anticipated, due to the site being in both a flood risk area and in a Conservation area.

Cambridgeshire Constabulary had decided not to proceed with the St Neots co-located site, following the procurement process.

Members noted the issues around the last remaining domestic property owned by CFRS, at Upherd Lane in Ely, which is part of the legacy from when Fire Services, like Police Forces, had a considerable portfolio of domestic properties for operational personnel. In response to a Member question, it was confirmed that CFRS was unlikely to offer to sell the property to the District Council, as it had a duty to maximise the return for the property. A Member asked if there was any value in retaining the Ely property, for cashflow/Reserves purposes, so that the return was not realised this year. Officers advised that they were keen to divest of the property as soon as possible, given that it was unoccupied, and the cost burden it incurred.

There was a discussion about joint working with Cambridgeshire Constabulary on co-located sites, given the amount of work that had been put into potential projects at Dogsthorpe, Monkswood, Wisbech and now St Neots, only for Cambridgeshire Constabulary to withdrawal. A Member suggested that whilst opportunities were limited going forward, an earlier and more detailed assessment on the viability of projects may be worthwhile, so that work was not wasted on aborted projects. Officers agreed that this was a source of frustration, and there was a need to learn to “fail early” and put clear timescales on such projects. Often there was initial enthusiasm but this could

dissipate following personnel changes. A Member observed that several years ago, there had been considerable political pressure from government for Blue Light services to work together on projects to save money, but there was now less pressure.

It was resolved unanimously to:

- a) approve the sale of Upherds Lane in Ely;
- b) note the update on other estate projects.

35. Fire and Indemnity Company (FRIC) Update

Members received an update on the insurance and protection arrangements provided by the Fire and Rescue Indemnity Company (FRIC).

The Committee was reminded that FRIC was a Mutual company limited by guarantee, owned and controlled by its twelve Members, with CFRS being one of the original five founder members. The company has been very successful, and one of the key benefits was that CFRS's insurance costs had been minimised in a market where costs had been increasing rapidly, with contribution rising by only 2% in 2022/23, mainly as a result of the reduction in fleet size.

A Member observed that the discounts available to CFRS resulted from the Authority having been proactive in a number of innovative areas such as CCTV in vehicles, Health & Safety and training.

It was resolved unanimously to:

- note the contents of this report and in particular, the ongoing benefits of FRIC membership.

36. Work Programme

Members noted the forward Work Programme.

Appendix 1

Mr M Harriss

VIA EMAIL

8 February 2023

Dear Mr Harriss,

At the Policy and Resources Committee on 31 January 2023 the Chair of that Committee permitted the asking of a late question on agenda item 4 (Draft Fire Authority Budget 2023/24) that had been sent by you as a 'private individual'. The question was;

On page 10 of the draft budget book 2023/2024 (Agenda item 4 Appendix), you write: "The pay award for operational staff is still yet to be determined but it has been assumed to be 5% for 2022/23 for the preparation of the 2023/24 budget." and "we have assumed pay increases of 4% going into 2023/24".

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Aren't the figures you provide a little low? And have you forecasted for inflation matching (or beating) pay awards for both 2022 and 2023?

I answered the question in my capacity as presenting Officer of the agenda item and Treasurer to the Authority. As you were unable to attend the meeting in person, in accordance with current Standing Orders as to Meetings, my written response is;

The Fire Authority has a duty to set a balanced budget. This service must consider costs against available funding. The proposed budget provides for cost of living pay awards of 5% and 4%, that are affordable within the current funding envelope. If the negotiations regarding pay do create a pressure above that allowed for in the budget, then the Authority will require the Service to identify measures to identify savings that will fund the additional budget.

I would also add that the Monitoring Officer has advised that in future, given that you are the Fire Brigades Union representative, questions from you will only be permitted in your official capacity to properly distinguish such questions from those asked by members of the public.

Your sincerely,

Matthew Warren
Deputy Chief Executive Officer

Cc Policy and Resources Committee Members