

**CAMBRIDGESHIRE AND PETERBOROUGH FIRE AUTHORITY  
POLICY AND RESOURCES COMMITTEE – MINUTES**

Date: 8<sup>th</sup> December 2016

Time: 2.00 pm – 3.15 pm

Place: Room 128, Shire Hall, Cambridge

Present: Councillors: Sir P Brown, L Nethsingha (Chairwoman), D Over (Vice Chairman), P Sales, and M Shellens

Officers: Rick Hylton - Assistant Chief Fire Officer, Shahin Ismail – Monitoring Officer, Amy Jackson – Head of Finance and Property, Sam Smith - Human Resources Partner, R Sanderson – Democratic Services Officer and M Warren - Deputy Chief Executive

Apologies: Councillors: D Divine, D Giles, M Loynes and J Schumann  
Officer: Chris Strickland – Chief Fire Officer

**84. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**85. MINUTES OF THE POLICY AND RESOURCES COMMITTEE MEETING ON 22<sup>nd</sup> SEPTEMBER 2016 AND THE MINUTES ACTION LOG**

With reference to the Minute Action Log the following issues were raised as updates:

- a) In respect of Minute 81 'Report on Public Speaking Rights' and the reference to the need for a protocol, the Assistant Chief Executive and the Chairwoman had discussed the issue previously and she was now satisfied that the current Constitution provided the public with rights to be able to speak at meetings, without the requirement for a separate protocol.
- b) Huntingdon Property Rationalisation Joint Review Project Group – As an update it was indicated that Councillor Shellens had also now been nominated to serve on the Group.

It was resolved:

To agree the Minutes of the meeting held on 22<sup>nd</sup> September 2016 as a correct record.

**86. MINUTES OF THE OVERVIEW AND SCRUTINY COMMITTEE MEETING ON 19<sup>TH</sup> OCTOBER 2016**

The minutes of the Overview and Scrutiny Committee meeting held on 19<sup>TH</sup> October 2016 were noted.

**87. DRAFT MEDIUM TERM FINANCIAL STRATEGY 2017 TO 2020**

The Committee considered a report by the Deputy Chief Executive seeking approval of the proposed draft Medium Term Financial Strategy (MTFS) 2017/18 to 2019/20 (included as Appendix 1 to the report).

The report explained that the financial environment in which the Fire Authority operated was unprecedented and was expected to become increasingly challenging. In November 2015, the Government had announced the spending review for 2016/17 to 2019/20 which included guidance around individual authorities submitting efficiency plans, in return for funding certainty over the medium term. It was highlighted that Revenue expenditure had been within budget each year for the last four years, confirming the Fire Authority's ability to control expenditure. The Authority had submitted its Efficiency Plan, (attached at Appendix 4 to the report) in October and confirmation of it was expected from the Government during the current month.

Inflation was based upon Treasury projections, with the exception of pay inflation, which has been set at 1% for the medium term in accordance with Government guidance. All fuel inflation was monitored and updated annually based upon latest information.

It was explained that most of the estimates in the MTFS were currently at a necessarily high level until the Government settlement for the next three years was announced and were based on last year's figures. As there was significant uncertainty around the settlement figures the MTFS would need to be flexible. The current assumptions was for a 2% increase of Council Tax (the current capped increase limit in a year), a 1% growth in housing, along with the expected level of grant settlement previously announced (£3.8m Rate Support Grant and £2.1m Top Up Grant) and £3.6m from the Business Rates. Provided all these estimates were realised, along with the savings already identified, then the £900k funding gap could be met and would enable a balanced budget to be achieved.

The summarised Capital Programme was attached at Appendix 2.

Questions / issues raised included:

- With reference to paragraph 1.3.1 of the Strategy and the reference to the assumption that the Economy would continue to grow slowly in the medium term with inflation in line with the Bank of England target, one Member queried the latter's assumption of a 2% inflation increase as there were predictions that the notional inflation rate would be for a 4% increase and asked what would happen if the latter became the reality. In response it was explained that the majority pressure in the Fire Authority Budget was pay and the Government was currently saying there would only be a 1% annual pay as part of the Pay Review. **Action: The Deputy CE was happy to add a warning note in this paragraph that this assumption could change if the Government came under pressure to change the 1% figure and agree to a higher pay settlement.** It was also clarified in answer to a supplementary question that terms and conditions were set nationally rather than locally.
- On a question of what would happen if the Grant Settlement was lower than had currently been estimated, the response was that the only way to address such a resource shortfall would be for further cuts to be made to the Fire Service budget due to there being a Council Tax cap of 2%.
- In answer to a question on what the size of cut required would be in the next Financial year (2018-19) this was currently estimated at £100k.
- On the assumption of an additional 1% being raised from the growth in the Tax Base for Band D houses, a Member asked what would be the effect if the estimate was incorrect and less Band D properties were added to the Tax Base. The reply was

that currently there was already an underestimate for Band D properties and therefore there was some flexibility.

- An explanation was requested regarding the last line reading “Where there is competition for resources, those areas of the Service directly contributing to the vision of the authority will take priority, unless there are any overriding factors such as a legal imperative”. The example for the latter was EMCP the replacement for the current communications system which the authority was obliged to take on. The current roll out for it had now been delayed until 2020, so there might be the opportunity to bring other spend areas forward.
- On a query on the position of the reserves and whether as referred to in para 3.3.5 “if funding significantly changed or unforeseen events caused the general reserve to dip below a perceived prudent level” it was explained that there was not the expectation that a greater call on the reserves would be required. The current level of provided reserves was seen as being sufficient to respond to the risks the Authority faced. The main challenge was going to be the following year’s budget with some expectation that the financial position would become more settled in the future, beginning with the 2019-2020 settlement.
- On a query regarding the figures for pay, which only showed the 2016-17 estimate, and whether it was possible to predict staff numbers going forward over a number of years, it was explained that it was possible to project it, using historical turnover data. The estimate of a 1% pay inflation increase across each year was based on full staffing figures.
- On a question regarding whether there would be any impact on the Service if Eastern European migration was reduced, it was confirmed that this could have an effect in areas such as IT. Currently it was already a struggle to get people with the right skills, and as it was often necessary to appoint at the higher end of the pay scale range, this could have an inflationary effect on wages.

As the Government figures had not yet been announced, the Chairwoman suggested it would not be appropriate to agree the proposed draft MTFS 2017 to 2020 at the current meeting, but proposed an amendment that it should be noted, and that the Committee should support consultation being undertaken in respect of a Council tax increase. This was seconded by Councillor Sales.

It was unanimously resolved:

To note the proposed draft MTFS 2017 to 2020 and to approve going out to consultation on the proposal for a 1.9% Council Tax increase.

## **88. PROBATION POLICY**

This report informed the Committee that the current published Probation Policy only applies to support staff with any probation issues for operational staff being managed in accordance with the principles of the published Policy. However, to ensure maximum clarity and transparency, it has been recognised that the Policy should be re-drafted to explicitly apply to all employees. The report provided the Committee with details on the work undertaken to update the Probation Policy and sought its approval for the draft Policy (provided to Members of the Committee in a later despatch as Appendix 1) to allow its implementation.

The draft, revised Policy was currently the subject of consultation with the representative bodies and their responses were due at the beginning of January 2017.

Issues raised included:

- The Committee noting that the tool-kit referred to, was not included as an appendix. In reply it was explained that the tool-kit itself would not affect the Policy document's contents and was a document to provide more guidance on how the Policy should be used, along with providing user template letters. As the tool-kit was still the subject of consultation with employee representatives, it was still being developed.
- In response to a question raised, it was clarified that the length of the probation period was two years for full time firefighters and six months for those in support roles.

The Chairman proposed that, while the Committee was happy to endorse the draft Probation Policy, as there was the possibility that the consultation could result in significant changes to the Policy, the Committee should receive a further report on the final proposed Policy and the toolkit, for its consideration and approval at its next meeting in January. This was seconded by Councillor Sales and on being voted on,

It was unanimously resolved:

To endorse the draft Probation Policy and to receive a further report in order to be able to approve the final version of the Policy and the Tool Kit at its meeting in January.

## **89. EQUALITY AND INCLUSION COMPLIANCE REPORT 2015-16 FOR THE PERIOD APRIL 2015 – MARCH 2016**

The Human Resources Business Partner Sam Smith presented a report informing the Committee on equality progress made in 2015-16 and how the Fire Authority was complying with its public sector equality duty (as required under the Equality Act 2010), as well as identifying areas for attention in future years.

The Fire Authority's Equality Objectives for 2015 – 18 were as follows, with the report providing evidence of progress against them:

- Carrying out an employee engagement survey, reporting findings to staff and developing an action plan to address any identified need for change.
- Developing and implementing a new equality and inclusion strategy with specific, measurable, achievable, realistic, time bound (SMART) action plan.
- analysing the lack of diverse representation at all levels of organisation and beginning to address them.
- developing a 'Positive Action Strategy' and action plan aimed at improving diversity in recruitment, selection, development and progression.
- developing partnerships with additional voluntary sector agencies to share data, identify and target the most vulnerable in our communities.

- improving confidence and trust of staff so more feel able to share protected characteristic data.
- embedding “one team” behaviours throughout the Service.
- providing an accessible and cost effective solution to any language barriers in delivering services.

The officer went through the report highlighting the key points which included:

- The Fire Service achieving excellent status on the Equality Framework in November 2015.
- Providing details of the new internal development programme for female staff training them for management roles.
- Highlighting the list of programmes that had been undertaken as detailed in the report.
- Highlighting the statistics in Chart 1 on page 10 on the Age range and gender of those injured in Accidental Primary Fires, which showed the highest number of accidents being in the 25-39 age group. These were more likely to be the result of small fires in kitchens while for the age groups 60-74 and 75 and over tended to more likely to be involved in serious injury fires. **In respect of the bar chart it was suggested that in future it would be more useful to have numbers as opposed to percentages, and to include common intervals. Action: Sam Smith to take back.**
- Page 11 the information showed that in respect of home safety checks carried out, there was more engagement with women than with men. A question raised on this was whether either gender represented a greater risk. The response was that there was not much difference, although men were potentially at slightly, greater risk.
- The percentage proportion of safety checks carried out in Black, Asian and other ethnic minority (BAME) communities was still very low and more work was being carried out to build bridges with these communities to help improve this statistic.
- Pages 13-14 regarding the section on complaints, although there had been a slightly higher number of complaints made against the Service compared with the previous year, (19 compared to 15) they were not related to equality issues.
- Section 3 - pages 15-18, detailed workforce diversity and distribution – this showed that there had been an increase in the number of female operational staff but that Black and other ethnic minority staff were still under-represented. One area where there had been a welcome change was in on-call recruitment, as for the first time in six years successful recruits had come from a BAME or “white other” background.
- In response to a question regarding why it was necessary to provide details of religion or belief of the workforce, it was explained that this was one of the protected characteristics required to be reported on in law.
- On the Demography statistics on page 29, one Member questioned some of the number intervals shown on the age range census information bar chart which were not

consistent and was therefore visually misleading. It was explained that the graphs provided, were straight lifts from census data.

- It was suggested and that the final version going to the full Fire Authority would benefit from an Executive Summary, highlighting through the use of brief bullet points the key changes.

The Committee in reviewing the report, while welcoming the improving statistics for women recruitment / representation, supported the ongoing work to build closer links with ethnic communities to seek to achieve a more balanced workforce.

It was resolved:

To approve the report provided separately as Appendix 1 and that the final version to be approved by the full Fire Authority should include an executive summary.  
**(Action: Sam Smith Human Resources Business Partner)**

## **90. REVENUE AND CAPITAL BUDGET MONITORING REPORT 2016-17**

The Deputy Chief Executive presented a report containing an update on revenue and capital spending as at 31<sup>st</sup> October.

The Committee was reminded that the Budget for 2016/17 as approved at the Fire Authority meeting held in February 2016 had been set at £28.453m with a total precept of £17.773m and that this Committee in June 2016 had approved a revenue carry forward of £1.501m. To date, £1.486m has been allocated to the new financial year budget. In addition, the funding in respect of committed orders for revenue and capital totalling £1.424m had also carried forward, the majority relating to the Yaxley site redevelopment. The resulting total net budget for the current financial year was therefore £31.364m. A budgetary control summary showing the main variations to the end of August 2016 was attached at Appendix 1 to the report.

Key issues highlighted included:

- As part of the budget preparation process for 2016/17 a total of £548k savings had been identified and these savings had been used to offset the loss of government grant.
- To the end of October 2016, the Service was above the budgeted establishment for firefighters, with 12 new wholetime firefighters recruited, who commenced training on 1 September 2016. These recruits would help ensure that the Service would not need to recruit again before 2018. The existing underspend against the training budget would be utilised for their training. As an update it was indicated that a total of 20 new firefighters had recently completed their training and had taken part in the passing out parade.
- The majority of the underspend shown against the senior management budget, related to the saving from reducing the number of Directors from four to three. In addition, grant income relating to the local resilience forum was also included. The budget associated with the reduction of one Director post, would contribute to the savings against the 2017/18 budget pressure.
- The Premises budget was showing an underspend, but was expected to diminish by the end of the financial year as property maintenance work was completed and the winter energy bills were received and paid.

- The supplies and services budget showed a significant underspend to date and related to the Service Transformation and Efficiency Programme (STEP) transformation grant funding, with the expectation that it would be spent by June 2017. This was in relation to a £1.4m pump priming grant from Government received in the previous financial year to increase on-call recruitment with the delay partly due to the needed to recruit the necessary team. The team was already proving effective, with 150-200 people having been through the programme and a process that had previously taken months, had been reduced to weeks. In addition, Project Budget expenditure was running behind forecast and legal fees were significantly lower than anticipated, as a result of the new contractual arrangement with LGSS Law. There was also a large order (£102K) still to be completed on undress uniform (to replace uniforms that had been in service for 20 years) that was contributing to the overall underspend.
- Insurance costs had reduced as a result of savings achieved through the Fire and Rescue Indemnity Company - Protection Mutual arrangement, which was the subject of a separate report on the agenda.
- Attention was drawn to ongoing issues with the current cleaning contractor, which due to unsatisfactory performance against the requirements of the contract, had resulted in payments having been withheld.
- The trend of under spending had continued against the 'On-Call budget' due to the establishment of 'On-Call firefighters' being below the original forecast. However, measures being taken to improve establishment would result in reductions to the savings currently shown.
- Vehicle running expenses were still underspent as a result of the Fire Service having invested in a modern fleet.
- Fire equipment was currently overspent by 15%, but was due to a larger spend profile being undertaken early in the year with the expectation was that it would be on-budget by the end of the year.
- Section 6 provided an update on Capital expenditure and its' financing.

**In discussion it was suggested and agreed that:**

- **In future the colour appendix should include a key to explain what the green, red and yellow represented. Also details of Projects to year end should be provided (Action: The Deputy Chief Executive - Matthew Warren)**
- **In respect of the table in 6.1, investigation to be undertaken and explanation provided outside of the meeting regarding the figure of -14 as the total committed to date for IT and communications, as it appeared very low when compared to the original budget and revised estimate figure. (Action: The Deputy Chief Executive - Matthew Warren)**

It was resolved:

To note the position on the revenue and capital spending.

## **91. MEDIATION PROCESS – STATEMENT OF BEST PRACTICE**

The Fire and Rescue Authority is committed to encouraging positive relationships between

all employees and recognises that where disputes or conflicts do arise, early and effective resolution supports both staff wellbeing and work performance and contributes to positive relationships in the workplace. As a result, an independent and informal process mediation scheme, developed in line with the ACAS (Advisory, Conciliation and Arbitration Service) Code of Practice has been developed which sat outside (but was complementary to) formal Service policies such as discipline and grievance. It was highlighted that two individuals had now been trained as ACAS accredited mediators.

The Vice- Chairman queried the independence of internal mediators and suggested that to be fully independent in a dispute, the mediators should come from outside the Fire Authority. As a response it was indicated that the accredited mediators had worked well so far and were not used if the dispute was with staff they worked with on a regular basis with each issue assessed on a case by case basis. **The officer however recognised the value of working closer with other partners as a way forward. Councillor Sales indicated that there was a Countywide Mediation Service which should perhaps be further explored. (Action – Sam Smith to investigate further)**

It was resolved:

To note the Service's approach in the use of mediation and the statement of best practice.

## **92. UPDATE ON FIRE AND RESCUE INDEMNITY COMPANY – PROTECTION MUTUAL**

A revised version of this report was e-mailed to members of the Committee the day before the meeting, with copies made available at the meeting and provided the latest update on the Protection Mutual Fire and Rescue Indemnity Company (FRIC) which had commenced operation in November 2015 .

The report explained that a procurement exercise had been undertaken to identify a risk mutual manager, to manage the process of claims handling and administration. As a result, the Fire and Rescue Indemnity Company (FRIC) had been set up to provide financial protection of its members as an alternative to conventional insurance and was owned and controlled by nine member fire and rescue authorities as detailed in the report. The benefits of the arrangement which was considered a real success story were set out in the report under the following headings;

- **Claims handling** – the Service in conjunction with RMML, manages the claims internally and will make a decision as to whether the claim is paid. This ensures that the process is more efficient as claims information is easily accessible and shared by both the Service and RMML and was considered to be a large administrative time saving.
- **Sharing best practice** – including carrying out regular and detailed risk profiling to see where improvements can be made, as all members have an interest in the financial success of the company. An example of the benefits included the creation of 'bump cards' (Incident Report cards) with samples passed around at the meeting.
- **Control** - being part of the mutual means directly being able affect the Authority's costs. By introducing additional, robust risk management controls such as CCTV on all vehicles, there could be a reduction in the amount that the Authority would pay as costs were directly based on claims data.



- **Costs / savings / benefits** - Over the years, conventional insurance had been very costly with very little competition in the fire sector. The mutual allows the authority to hold cash in reserves within the FRIC and where is not used for claims, the mutual retains them for future use to the general benefit of its members. .

The Chairman in making reference to the following statement from the report “The average cost for the last three years with Zurich was £296,252 per annum; the average cost of the two years with the FRIC is £296,467” questioned whether any cost savings had been achieved. In response, the presenting officer, Amy Jackson, highlighted that it was important to recognise the non-cash benefits referred to under some of the above headings, as some of these were hard to quantify in monetary terms. In addition, it was explained that the first two years had been based on expiring terms and claims data. Going forward, the new formula will take into consideration risk profiling and claims experience with an expectation that costs would reduce.

It was resolved:

To note the contents of the report.

### 93. POLICY AND RESOURCES COMMITTEE WORK PROGRAMME

In noting the Work Programme, it was highlighted that the Integrated Risk Management Plan Update Report needed to be added to the 26<sup>th</sup> January Agenda. It was confirmed that the January 2017 Committee meeting would be held at Fire HQ and as it was the budget proposal meeting, in discussion it was agreed that there should be a briefing for Committee members only. This should be held before the public Committee meeting. To accommodate this, it was proposed that the Committee meeting should be moved from a 10.30 a.m. start to an 11 a.m. start.

It was unanimously resolved:

- To organise a Member Briefing for the Committee on 26<sup>th</sup> January to be held at 10 a.m. (**Action: The Deputy Chief Executive**)
- The January Committee meeting should have a later starting time of 11 a.m. (**Action: Democratic Services Officer**)
- To note the Policy and Resources Committee Work Programme with the addition of the Integrated Risk Management Plan being added to the 26<sup>th</sup> January Agenda. (**Action: Deb Thompson**)

### 94. DATE OF NEXT MEETING

It was noted that the Committee would meet next on Thursday 26<sup>th</sup> January 2017 at 11 a.m. at Fire and Rescue headquarters Huntingdon.

### 95. FUTURE MEETINGS

Thursday 6 April 2017 at 10.30 am, Fire and Rescue Service headquarters, Huntingdon.

Chairwoman  
26<sup>th</sup> January 2017