

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

**Date:** 18 July 2019

**Time:** 10.30 am – 11:53 am

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

**Present:** Councillors: S Bywater, M Jamil, T Rogers, M Shellens and M Smith.

**Officers:** Chris Strickland – Chief Fire Officer, Matthew Warren – Deputy Chief Executive, Jon Anderson – Assistant Chief Fire Officer, Deb Thompson – Scrutiny and Assurance Manager, Lisa Clampin – Engagement Lead BDO (Item 7 ) Matthew Weller – Assistant Manager BDO (Item 7) and Tamar Oviatt-Ham – Democratic Services Officer.

**104. APOLOGIES FOR ABSENCE**

Apologies for absence received from Councillors D Giles, D Over (Vice-Chairman) and K Reynolds (Chairman).

The Committee agreed that Councillor Mandy Smith would chair the meeting in the absence of the Chairman and Vice Chairman of the Committee.

**105. DECLARATIONS OF INTEREST**

No declarations of interest were received.

**106. MINUTES OF THE POLICY AND RESOURCES COMMITTEE HELD ON 25 APRIL 2019**

The minutes of the meeting held on 25 April 2019 were confirmed as a correct record and were signed by the Chairman.

**107. ACTION LOG**

The Committee noted that there had been an update to action 101. Officers explained that the Fire Brigade Union had been successful in their challenge and that Government were now reviewing the pension changes in light of the appeal. It was still unclear what the liability would be. Officers would update Committee when further information was received.

Members noted that there was an update on item 75 in the papers for the meeting and that a new date for the next meeting would be sought as per item 103. Members noted the remaining actions.

**108. MINUTES OF THE OVERVIEW AND SCRUTINY COMMITTEE HELD ON 28 MAY 2019**

The minutes for the Overview and Scrutiny Committee meeting held 28 May 2019 were noted.

**109. FINAL REVENUE AND CAPITAL BUDGET POSITION 2018-19 AND TREASURY MANAGEMENT STATEMENT**

The Committee received a report that outlined the final 2018/19 revenue and capital budget outturn position and gave an update on the treasury management position.

Attention was drawn to the final budget position on page 21, paragraph 6 of the report which showed an underspend of £31,000 which was proposed to be transferred to reserves.

Members noted:

- That the budget had been underspent due to overachieving on the precept income, orders raised but not yet paid, grant income carried forward and allocated budget for projects not yet spent including the ESMCP project and Microsoft licencing.
- That the carry forwards required were detailed in the table at 6.2 on page 21 of the report.
- That the Equal Pay review had not currently been factored in to the budget.

Arising from the report:

- Members queried the movement of reserves in point 7.2 on page 22 of the report and what they had been earmarked for. Officers explained that there was a property development reserve set aside to finance the costs of future refurbishment and development of the Authority's estate. This fund would be utilised to provide a new training facility. In addition, a project to upgrade aspects of service headquarters were being developed which would also be funded from reserves. There was also a whole-time reserve that had not been required in the last financial year but would be required for recruitment in 2019-20.
- Members discussed the allocation of capital spend in relation to vehicles. Officers explained that the adjustment was in respect of carry forwards for service cars, vans and fire appliances ordered in 2017-18 but not received. The purchase of a new aerial appliance had been delayed so the funding for this also needed to be carried forward.

- A Member queried the 'Revenue Contribution' line in the Capital Programme and what this was used for. Officers clarified that this was set aside to fund capital and was common practice.
- A Member question what the 'Fire Allowances' line in the budget on page 25 of the papers covered. Officers explained that this was an additional allowance for flexible duty cover.
- Members noted that the Capital Programme had increased by £1.5 million and that it was currently better economically to find this from reserves. Officers explained that there was a desire to decrease the reserves further in future years.
- Members discussed the Annual Treasury Management Review and requested that a further review of risks in relation to the Portfolio to be brought forward to the Committee meeting in December and that Link Services be invited to the meeting. **ACTION MW**

It was resolved unanimously to:

- i. Note the revenue and capital budget outturn position;
- ii. Approve the requested budget holder carry forwards;
- iii. Note the year-end balance sheet position as at 31 March 2019 as per the draft statement of accounts;
- iv. Note the annual Treasury Management.

## **110. AUDIT COMPLETION REPORT**

The Committee considered the draft Audit Completion Report for the year ending 31 March 2019.

Members noted:

- That materiality levels had not required reassessment since the last audit report issued on 27 February 2019.
- A material adjustment would be made to take into account the impact of the McCloud judgement. The impact on the firefighter's pension fund liability would increase by £13.2 million. This had no impact on the deficit on the provision of services.
- Unadjusted audit differences would decrease the deficit on the provision of services by £43,000.
- There had been no material movement in the valuation of land and buildings since the previous valuation date and year end. The estimate currently stood at £32.816 million.
- The results of the Ernst and Young Audit report on Pensions Liability was still awaited.

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- Deficiencies were being reviewed in relation to the Big Red Button Software to ensure that financial statements were reconciled and balanced accurately.
- The merger with the Police and Crime Commissioner had been flagged in the report and it was noted that the outcome of the judicial review was awaited.
- Three Audit differences had been identified that had been expected by management including:
  - an adjustment of £44,000 to reclassify disposal costs that had been incorrectly capitalised in-year,
  - an adjustment of £17,000 to reduce the value of the NNDR precept accrued with Huntingdon District Council. This misstatement had arisen due to incorrect information being provided by Huntingdon District Council
  - an adjustment of £33,000 to increase the Fire Authority's share of the collection fund bad debt provision with Fenland District Council.

The total impact of the adjustments would increase the deficit on the provision of services by £94,000 and decrease net assets by £94,000.

- Other deficiencies identified included the use of generic ids when creating journals.
- The Audit Completion Report would be signed off by the Deputy Chief Executive on 31 July in conjunction with the Chairman of the Fire Authority and that it was not envisaged there would be any issues to raise with the Committee prior to sign off. An email would be sent to the Committee with the updated document with any changes highlighted.

#### **ACTION MW**

In discuss the report;

- Members commented that the draft document had only been received the day before the meeting so there had not been time to review the document. Officers explained that there was only a short space of time in which to audit the budgets following close down and this often meant that arrangements had to be made for delegated authority to sign off the report. There were a number of actions that could not take place until after the Committee had met. It was not uncommon for the draft document to be submitted to Committee close to the meeting date. Members requested that the Committee date was brought forward closer to the deadline for the next financial year in order that they could see a more complete report. **ACTION MW**
- Members questioned what had been done to ensure the adjustments identified in relation to the District Councils did not happen in future years. Officers commented that the error in relation to the Huntingdon precept had occurred because they had not taken parishes into account as part of

their calculation. Officers had been assured that there has been some significant changes in personnel and that this would not happen again.

It was resolved unanimously to:

agree the draft Audit Completion Report for the year ending 31 March 2019 and delegate responsibility for sign off on 31 July 2019 to the Deputy Chief Executive and the Chairman of the Fire Authority.

#### **111. EQUAL PAY AUDIT – RECOMMENDATIONS AND NEXT STEPS**

The Committee considered a report that outlined recommendations made in a recently conducted equal pay audit and work being done to progress the recommendations.

Members noted that:

- Work was required to review the management band grade structure for professional support staff as the scales were very broad. The external consultant proposed a new set of payscales and system of evaluation. Staff had been briefed on the proposed changes and it was clear that this would not equate to pay cuts. The Fire Authority had been taking advice from the County Council who had carried out a similar review four years ago. The changes would be fed into budgeting for the next financial year.

Arising from the report:

- A Member queried whether there was a qualifications bonus. Officers explained that there was for certain roles and there were a number of apprentices that this currently related to.

Officers clarified that they would bring the final proposals back to Committee in October. **ACTION MW**

It was resolved unanimously to:

note the contents of the report for information and in particular to note the timescales for when further information would be provided and for when decisions were anticipated to be requested.

#### **112. FIRE AUTHORITY PROGRAMME MANAGEMENT – MONITORING REPORT**

The Committee received a report that provided an update to the Fire Authority Programme of projects for 2018-19.

Members noted that:

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- Three tenders had been received for the replacement ICCS and were being evaluated. System testing would take place in August and the contract would be awarded in September.
- The Asset Management project had now moved into business as usual so would be removed from the programme.
- The status of the ESMCP had not changed.
- The VDI upgrade had been successful and everyone had been migrated on to the new system.
- The 'On Call' project was in a consultation period and was very early days
- A collective agreement had been made and signed off on the Day Crewed Shift System project and the system was up and running for a trial period of two years.

It was resolved unanimously to note the Programme Status Report as at June 2019.

#### **113. POLICY AND RESOURCES COMMITTEE WORK PROGRAMME**

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

**Chairman**