

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

Date: 26 January 2022
Time: 2.05pm – 3.45pm
Place: Fire HQ
Present: Councillors: S Bywater, B Goodliffe, M Jamil, P McDonald, E Murphy, D Over, K Reynolds, P Slatter and M Smith
Officers: Dawn Cave, Stuart Smith, Chris Strickland, Deb Thompson and Matthew Warren
Apologies: Shahin Ismail

1. Election of Chair

The Democratic Services Officer called for nominations for Chair. Councillor Jamil nominated Councillor Goodliffe, and this was seconded by Councillor Murphy. There being no further nominations, Councillor Goodliffe was elected as Chair of the Committee for the 2021/22 Municipal Year.

2. Election of Vice Chair

The Chair called for nominations for Vice Chair, and nominated Councillor Jamil, and this was seconded by Councillor Murphy. There were no further nominations, Councillor Jamil was elected as Vice Chair of the Committee for the 2021/22 Municipal Year.

3. Apologies for absence and declarations of interest

There were no apologies for absence or declarations of interest.

4. Minutes of the Policy and Resources Committee held 25th March 2021

The minutes of the meeting held on 25 March 2021 were approved as a correct record, and the notes of the informal meetings held 15 July and 15 December 2021 were noted.

5. Policy and Resources Committee Action Log

The Action Log was noted.

6. Draft Fire Authority Budget 2022-23 and Medium term Financial Strategy 2022 to 2028

The Committee considered the draft Fire Authority Budget for 2022-23 and the draft Medium Term Financial Strategy (MTFS) for 2022 to 2028.

Members had been asked at the informal Committee meeting in December to support a consultation with the public based on a precept increase of 2%. Since that meeting the Service had received more information from government regarding its settlement for 2022/23.

The consultation process on the proposed council tax increase was still taking place, and feedback from that consultation would be presented to the Authority meeting in February 2022. To date, around two-thirds of respondents had supported the proposed 2% increase in Council Tax.

The budget document presented more detail than had been available at the December meeting, including individual budget lines and associated narrative. Essentially, much of the budget was on a like for like basis. With the support of the finance team, all budget holders had thoroughly scrutinised and challenged the budget being recommended. The major challenge was inflation, particularly pay inflation, and this would need to be monitored closely throughout the coming financial year.

Arising from the report, Members raised the following questions:

- Asked if the statement “This strategy estimates that increase in council tax will be approved by the Authority” (paragraph 1.2.2 of the MTFS) was on the basis that there would be a 2% increase to the precept, and it was confirmed that this was the case;
- Queried the statement “... ensuring that budget holders challenge current expenditure levels and project budgets are fully understood before any commitment is made” (paragraph 1.2.4), and asked if this should read “fully understood *and funding allocated* before any commitment is made”. The Deputy Chief Executive Officer confirmed that this was the intention and this would be revised in line with the Member’s comments;
- Queried the statement (para 2.2) “the tax base assumes an increase of approximately 1.95% for next financial year”, and asked if this was optimistic. It was noted that this was based both on experience over the last ten years, where there had been an increase of around 1% year on year, and the challenges that had arisen as a result of the pandemic;
- Noting the statement “Currently the limit is suggested as 2% for Fire Authority’s unless their Band D equivalent is within the bottom quartile of

Authority's, where it can be set at up to £5." (para 2.3), asked if this should read 5% rather than £5? It was confirmed that it was £5, as Fire Authorities in the bottom quartile had this option, but CFRS sat just outside the bottom quartile. There had been numerous discussions with the Home Office on this issue, and it had been suggested that Cost Per Head would be a better metric to use, but the Home Office had not changed this. Representations to the Home Office would continue to be made, requesting that they consider a different financial formula in future years;

- Noting the statement "The professional support service has been subject to rigorous challenge", (para 3.1), a Member asked if every function had been reviewed. It was confirmed that this was the case, and that all areas had been reviewed, from potentially low impact areas, to those which potentially had a significant impact on services. If further cuts were required, the Service would not take a "salami-slicing" approach but cuts would be made based on each department's ability to continue to deliver services. The Member asked that Members were kept informed on these matters. He also expressed concern that 50% of the staffing budget related to professional support staff. Officers commented that as explained at the December meeting, the report may be ambiguous in terms of the amount spent on support staff, and that by far the largest spend on pay is for uniformed staff, and professional support staff was around *50% of the operational staff budget* (i.e. firefighters and Control room staff):

	£'000	%
Full-time Firefighters	12,881	60
Control	1,652	8
Professional Support	6,981	32
	21,514	100

- Queried the use of the word "vision" in relation to prioritisation of Service areas ("the vision of the Authority", para 4.1.2) and suggested that the word "purpose" would be more appropriate;
- Observed that the Funding section (paras 4.3) of the MTFS did not put forward income generating opportunities, and asked if the Service was actively considering these. Officers confirmed that this was the case, and gave examples in relation to the training centre which was currently being constructed. It was noted that any income generating service would need to be set up as a trading arm, and that whilst there were successful examples of Fire Services making returns from such

activities nationally, there were also numerous examples of trading arms which were only breaking even, running at a loss or folding;

- In response to a question on the adequacy of Reserves, it was noted that there was no national guidance on Reserve levels for Fire and Rescue Services. Across the country, it was a very wide ranging picture, with the average being around 7%. CFRS's Reserves were quite low, and it would be undesirable to see the Reserves reduce much further. Reserves had previously quite high, but this was a planned strategy in relation to the major capital projects coming forward. Replenishment of Reserves going forward was a key issue, as the Service did not benefit from regular government grants, and the increase to the precept proposed would barely cover the predicted pay rise;
- Discussed the budget pressures identified in the table setting out the anticipated budget requirements in the medium term revenue forecast, noting that the cleaning contract had been terminated in favour of employing cleaning staff in-house;
- In response to a query on borrowing, it was noted that money was borrowed through the Public Works Loan Board (PWLB) for investments such as fire appliances and major property schemes;
- It was confirmed that the two graphs in the budget book illustrating 2019/20 Cost per Head of Population (of Fire Services nationally) and 2020/21 Band D Council Tax were from two different sources, and the data sets were not quite aligned;
- Queried the assumption that "non-pay inflation will be 2%", suggesting that national indicators were that inflation was currently above 5%. The DCEO commented that the current high inflation rates were seen as transitory, but acknowledged that in the short term were likely to stay high, and inflation was the most significant concern in the coming year, especially pay inflation;
- Queried the statement "The Authority recognises that responsibility for treasury management decisions remains with the organisation at all times..." in the Treasury Management section. It was noted that whilst this was self-evident, inclusion of this statement was required by the Treasury Code;

A Member expressed concern on the multiple references to using Reserves, which appeared to be more frequent than in previous years, especially to fund revenue expenditure. In relation to the specific example of the pay award for support staff, it was noted when the budget had originally been prepared, a

Public Sector pay freeze nationally was proposed, but there was now expected to be some pay award for support staff. On a related issue, a Member asked where the areas of underspend had been, and if expenditure in those areas was likely to return to normal. Officers outlined the areas where there had been underspend e.g. transportation due to the pandemic, and how underspends and Reserves had been utilised in the current year for items such as emergency medical training for firefighters. Members also noted the table of Earmarked Reserve Breakdowns for 2020/21 to 2024/2025.

A number of Members expressed concerns on the anticipated inflation rate, given that headline inflation rates were currently above 5%, and that this posed a risk in relation to escalating pay, fuel, utilities, and other day to day running costs for the Service. Officers stressed that the budget presented was very much a standstill budget. The government would shortly be releasing a White Paper on how pay would be negotiated in future. Whilst the Service was moving to renewable energy and sources electric vehicles, this was very much a longer term transition. The Chief Fire Officer stressed that the proposed increase to the precept was just enough to maintain the current level of service, and a level of increase below that would mean a reduction in service.

There was a discussion on how publicity may need to focus more on the Rescue side of the Service's work e.g. RTAs, floods, and also community and preventative work, so it was clear to the public that the Service did not just deal with fires. It was noted that in terms of provision of the Service, the total cost was around £75 per annum for the Council Tax payer, but in terms of per head of population, it was around £35 per year. Give the constant availability of the service, and highly skilled and very responsive nature of the Service, this offered exceptionally good value. A Member commented that any media appearances relating to policy or budget areas should be undertaken by Members, not officers.

A Member observed that the proposed increase in the precept was below inflation, and there was a risk of above 2% increases in pay. Another Member observed that over the last ten years, there had been repeated cuts to the Fire Service's budget, but it was also noted that a number of key projects had still been realised e.g. the training centre.

In response to a Member question, officers outlined how Fire and Rescue Services nationally all had different histories in terms of funding and governance, which accounted for some of the considerable differences in terms of current precept and reserve levels, but recognition of this diversity was not reflected in the government approach to Fire Services.

Speaking on behalf of the Conservative Group, Councillor Reynolds expressed disappointment about plans and provision made for future years, and whilst technically a balanced budget had been presented, he felt there was inadequate provision for leaner times in future, with an overreliance on the expectation that funding would be raised through Council Tax. For those

reasons, the Conservative Group would not be supporting the budget and would be abstaining from the vote.

In response, a number of Members felt that this was an unfair attack on the professionalism of officers, who had presented a thorough and detailed report, and responded at length to Member questions. They also asked why the Conservative Group had not produced an alternative budget. The situation being faced by CFRS was not unique in terms of reduced funding against increasing inflation, and was being faced by Fire Services across the country.

The Chief Fire Officer shared the concerns expressed about the financial position in the medium to long term. Significant work had been undertaken by officers on contingency plans for budget shortfalls, should these occur, which officers were happy to share with Members. There were ultimately very few areas where savings could be made without impacting on front line services, given that 80% of the total budget was staff pay. He stressed that the officer team welcomed discussion and challenge, which helped Members have a much clearer understanding of the issues involved.

It was resolved, by a majority, to:

1. review the budget book attached at Appendix 1 and endorse the recommendations detailed on Page 22 within it:
 - (i) that approval is given to a Fire Authority budget requirement of £31,226,300;
 - (ii) that approval is given to a recommended Fire Authority precept for Authority Tax from District Authorities and Peterborough City Authority of £22,214,110;
 - (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 (296,307):

Band	Authority Tax	Band	Authority Tax
A	£49.98	E	£91.63
B	£58.31	F	£108.29
C	£66.64	G	£124.95
D	£74.97	H	£149.94
 - (iv) That approval is given to the Prudential and Treasury Indicators as set out on page 11 of the report;
 - (v) that approval is given to the Treasury Management Strategy Statement on pages 10 to 17 of the report;

- (vi) That approval is given to the Capital Programme detailed at page 9 of the report;
 - (vii) That approval is given to the Minimum Revenue Provision Policy Statement detailed on page 18 of the report.
2. review and endorse the medium term financial strategy attached at Appendix 2 to the report

7. Fire Authority Programme Management - Monitoring Report

Members considered a report that provided an update on projects for 2021/22.

Officers detailed progress with the Type 3 projects

Review of operations – the brief for this project was being re-scoped to include all levels of operational response. It was confirmed that this included all levels of staff, from senior management to retained staff. It was confirmed that the “significant interdependencies” referred to related to issues such as the wider funding environment. There was a discussion on the issues with unions.

Replacement ICCS and Mobilising Solution – the reasons for delay, including the pandemic, were noted. However, good progress was being made and the site testing had been completed in December, and training had commenced.

ESMCP (Emergency Services Mobile Communications Programme) – the main risk for this government-led project was that the timescales would slip.

Day Crewed Shift System Project – the agreement sits with the FBU at a national level, and there had been no further progress with the FBU at this level. Locally the FBU had been proactive and were not objecting to the proposals.

Huntingdon relocation – was ahead of schedule, and a Member visit would be arranged in the near future. **Action required.**

Training Centre Review – negotiations had been completed and the new shift proposal had been rejected. Officers explained this history to the staffing issues, including the staffing structure and the processes which need to be undertaken in order to implement the new shift system. In response to a Member question, it was confirmed that the move to the new training centre would not be an issue, as all parties were working to a collective agreement.

NFCC Fire Protection Grant Project – a report would be presented to the full Fire Authority meeting updating Member on the impact of the Buildings Safety Bill. There had already been grants to increase capacity in relation to fire protection and enforcement. Twenty “in scope” buildings had been identified in terms of cladding. In tandem with this work, technological changes e.g. capacity to work remotely via iPads, was being rolled out.

With regard to the Co-responding project, Members noted the progress made with the East of England Ambulance Service, following the appointment of their new Chief Executive and operational officer who was very supportive of the Co-responding project. The history of the co-responding project was noted, including the issues with unions. Members were very pleased to note the progress made, especially in light of the difficulties experienced in the past with this worthwhile project, and asked for their thanks to be passed on to everyone involved.

It was resolved unanimously to:

note the Programme Status Report, as at December 2021, attached at Appendix 1 of the report.

8. Policy and Resources Committee Work Programme

The Committee Work Programme was noted.