

## WEST MIDLANDS FIRE AND RESCUE AUTHORITY

30 September 2019 at 1100 hours at  
Fire Service Headquarters, Vauxhall Road, Birmingham

Present: Councillor Brackenbridge (Chair)  
Councillor Zafar Iqbal (Vice Chair)  
Councillors Barrie, Barlow, Cooper, Dehar, Edwards, Gill,  
Hogarth, Iqbal, Jenkins, Miller, Miks, Spence and Young  
Mr Gurinder Singh Josan, (Representative of PCC)  
Mr M Ager, Independent Member

### 66/19 **Apologies for Absence**

Apologies were received from Councillor S Walsh, Prof. Simon Brake, Sarah Middleton, Grant Thornton

### 67/19 **Declarations of Interest in contracts or other matters**

The Chair declared a non-pecuniary interest in items 5, 6, 7 and 8. Councillor Edwards declared a non-pecuniary interest in the same items.

### 68/19 **Chair's Announcements**

The Chair welcomed Mr Wayne Brown, the Deputy Chief Fire Officer elect, to the meeting of the Fire Authority and congratulated Mr Brown on his new role and said that the Authority looked forward to working with him in the future. Councillor Young echoed the Chair's comments and stated that the appointment of the Deputy Chief Fire Officer had been a difficult task due to the quality of candidates. However, Councillor Young felt that Mr Brown would be an asset to the West Midlands Fire Service and the Chief Fire Officer. Councillor Hogarth concurred with the Chair and Cllr Young.

The Chair invited all members of the Authority to the Passing Out Ceremony for new Recruits that was taking place on Friday, 11<sup>th</sup> October 2019 at 1730 hours at Fire Service Headquarters.

Two training opportunities had been received from the LGA. The first was Leading the Fire Sector: Oversight of Performance.

The course was being held on two dates:

14 November 2019 – Merseyside Fire and Rescue Service

26 November 2019 – Hampshire Fire and Rescue Service

12/13 February 2020 – Leadership Essentials: Fire and Rescue  
at Warwick Conferences, Coventry CV4 7SH

69/19 **Chief Fire Officer's Announcements**

The Chief Fire Officer also welcomed Wayne Brown, Deputy Chief Fire Officer elect to the meeting.

It was confirmed that a report outlining the recent report from Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services and the imminent outcomes of the Cultural Review would be presented to the Authority at its meeting scheduled for the 18 November 2019.

It was confirmed that the Authority had received a single year financial settlement 2020/21. This was a flat cash settlement in real terms and included inflation. This was the first year since 2010 that the Authority had not received a cut in its budget. The Chief Fire Officer confirmed that Phase 1 of the Grenfell Enquiry report was expected before the next Authority meeting scheduled for 18 November 2019. The outcomes of the report would have a direct and indirect impact on service delivery and resilience arrangements for the Service.

70/19 **Minutes of the AGM of Fire Authority held on 24 June 2019**

**Resolved** that the Minutes of the Annual General Meeting held on the 24 June 2019 be confirmed as a correct record.

71/19 **Annual Audit letter 2018/19**

The Authority noted the Annual Audit Letter 2018/19 report. The report was submitted to inform the Authority of the external audit work undertaken for the audit year 2018/19.

The Treasurer presented the report on behalf of the Auditor who was unable to attend. The Treasurer related the key messages given by the External Auditor at the meeting of the Audit and Risk Committee on 29 July 2019.

Following the Audit and Risk Committee on 29 July 2019 the auditor issued an unqualified opinion on the Authority's 2018/19 financial statements included in the Authority's Statement of Accounts on 31 July 2019.

The Auditor was required to provide a value for money conclusion following the National Audit Office (NAO's) Code of Audit Practice (the code) and Auditor Guidance Note (AGN) 07 – Auditor Report. Following this work the auditor had concluded that for 2018/19 the Authority had proper arrangements in all significant respects to secure economy, efficiency and effectiveness to ensure the delivery of value for money in the use of resource of resources for the year ending 31 March 2019.

The agreed scale fee for the provision of external audit services for the audit year had been set at £29,750 although the Annual Audit Letter had highlighted a fee variation (increase) of £4,000 on the figure. This had arisen through no fault of the Authority and had been caused by national issues requiring the Auditor to undertake work over and above the anticipated work.

One Member noted the materiality figures quoted in the report. The Annual Audit Letter defined materiality as the size of the misstatement in the financial statements that would lead to a reasonably knowledgeable person to change or influence their economic decisions.

The Auditor determined materiality for the audit of the Authority's financial statements to be £2,396,000 which was 2% of the Authority's gross revenue expenditure.

The Auditor also set a lower level of specific materiality for remuneration disclosures of £100,000 due to their sensitive nature and public interest.

A lower threshold of £119,802 is set, above which the Auditors would report errors to the Audit and Risk Committee. Members requested clarification around these figures and felt that they should be brought to their attention.

The Treasurer was asked to share his views on the figures and whether they were a national or industry standard and, if so, would there be any flexibility to move the figure downwards.

The Treasurer confirmed that it was a requirement for all external auditors to apply their professional judgement and the figures may vary between different public sector bodies.

The Treasurer stated that officers and auditors had worked together over many years and confidence had been built in the capability and stability of the Financial Management Team. In addition, the key financial systems were robustly checked on an annual basis by both Internal and External Auditors.

The Auditor would set the materiality figure on what they consider to be a reasonable figure based on a range of factors (including the above) based on professional judgement. The materiality figure of £2.4M may appear quite high but this materiality item related to issues which would significantly 'distort' the overall financial position of the organisation as reflected in the Statement of Accounts.

The Treasurer stated that if the materiality figures were lowered, this may create more work for the External Auditor who, in turn, may require an increase their fee. Consideration would need to be given to the potential benefit of a reduction in the materiality levels compared to any additional fees charged.

A remuneration materiality figure of £100,000 for specific Officer roles was the standard in public sector accounts. A note in the Statement of Accounts also sets out, in £5k bands, the number of employees receiving remuneration between £50k and £100k.

The Treasurer also highlighted that the 'lower threshold' materiality figure of £119,802 was the equivalent of 0.1% of the Authority's gross revenue expenditure, but that did not exclude any other issues identified by the External Auditors being brought to the attention of the Audit and Risk Committee.

The External Auditors would need to be engaged at the next Audit and Risk Committee to obtain their views on the figures, who in turn would report back to the Authority.

The Chair of the Audit and Risk Committee did not have the same concerns about the materiality figure, however, was disappointed that a representative from Grant Thornton had not attended the Authority meeting.

The Members of the Audit and Risk Committee requested that the issue is discussed at their next meeting and the outcome would be reported back to the Authority.

## 72/19 **Statement of Accounts 2018-19**

The Authority noted the Statement of Accounts for 2018/19 as set out in Appendix A to the report.

The Authority also noted the Summary Accounts for 2018/19 as set out in Appendix B to the report.

The Statement of Accounts and Summary of Accounts for 2018/19 had been approved by the Audit and Risk Committee on 29 July 2019 as part of the statutory requirement.

The Summary of Accounts sets out the Accounts in a more digestible way.

The Audit Findings Report was presented to the Audit and Risk Committee on the 29 July 2019 outlining the findings of the audit work undertaken and the Auditor had issued an unqualified opinion on the Authority's 2018/19 financial statements included in the Authority's Statement of Accounts on 31 July 2019.

In the Independent Auditor's opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2019 and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2018/19; and

- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

The Treasurer stated that the main Statements were the Comprehensive Income and Expenditure Statement and the Balance Sheet, although both were significantly affected by accounting requirements relating to pension arrangements.

The Treasurer highlighted the Movement in Reserves Statement which showed Earmarked Reserves had decreased by £5.604m from £38.984m to £33.380m in the year ending 31st March 2019 and General Reserves had decreased by £1.476m to £6.914m in the year ending 31st March 2019. The assumption when the 2018/19 budget was approved was that the Authority would need to use £1.5m in general balances and the figure was in line with the assumed use.

The Authority's overall reserves had decreased by £7.080m. and it was anticipated that this trend would continue. Total reserves as at 31 March 2019 were £42.700m and it was anticipated they would reduce further in future years. The overall reserves as at 31<sup>st</sup> March 2019 are made up of:

£6.914m Un-earmarked general fund reserve  
£33.380m Earmarked general fund reserve  
£2.249m Capital receipts reserve  
£0.157m Government grant

There are other long-term liabilities which are linked to pension liabilities of £1.8 billion. The Treasurer highlighted the scale and size of this figure which was required to be reflected as part of accounting regulations.

The Treasurer also highlighted the Long Term Borrowing which stood at £35.697m. This had reduced from £36.002m the previous year. This was historical borrowing undertaken by the Authority which was used to acquire assets. The value of Property, Vehicles, Plant and Equipment stood at £131.195m. The value of assets was higher than the outstanding borrowing amounts.

£40.302m Cash and cash equivalents was held as at 31 March 2019 compared to £51.379m as at 31 March 2018 the figure was down by circa £11m, a significant proportion of which was the reduction in reserves.

Members of the Authority felt that the accounts were exceptionally good and congratulated the Treasurer.

It was noted that earmarked reserves would continue to decline and had been used in setting the current year's budget.

News had been received on the Fire Sectors provisional 2020/21 financial settlement figure and it was noted that there was not proposed to be a reduction in core funding for the first time in 11 years, but it would not have a significant impact on the downward trajectory of the Authority's reserves.

The Chief Fire Officer stated that the government would be monitoring the Authority's Reserves Strategy and there was an expectation that the reserves should reduce.

The Authority would need to continue to operate without a capital funding arrangement and without any transformation funding. However, capital projects would still be required in the future.

The Treasurer reiterated that reserves can only be used once and the Authority's full reserves strategy was set out in the 2019/20 budget report approved by the Authority on 18<sup>th</sup> February 2019. This reflected that the level of reserves would continue to fall as the Authority moves forward.

## 73/19 **Monitoring of Finances**

The Authority noted the Monitoring of Finances as at the end of August 2019.

Appendix A showed the current position of the Revenue Budget with a favourable overall variance of £258,000. The Treasurer referred members to the Corporate Budgets and in particular, the most significant variances related to the Response budget where there was an adverse variance of £382,000.



The £3.8m of savings required when setting the current years budget were not quite where they had been estimated to be at this point, predominantly because the Ridership Factor was higher than the target set. There were favourable financial variances elsewhere in the budget resulting in the overall position being favourable.

Appendix B of the report set out the position in respect of the Firefighters' Pension Scheme and this was broadly in line with expectations.

Appendix C showed that £2.4m had been spent to date on capital schemes. There had been slippages in the Vehicle Replacement Programme and the redevelopment of Aston Fire Station. The forecast year end spend was £7.6m. The capital programme is being funded predominantly by earmarked reserves.

In response to a Member's enquiry about the difficulties being experienced in the ridership factor and resulting impact on savings, the Chief Fire Officer stated that the ridership factor was comprised of a large number of components impacting on the number of people employed for shifts. A significant issue for the Service was attendance and a piece of work had been commissioned on attendance standards. Attendance Management played an important role in the delivery of the plan.

The CFO stated that although the Authority's budget showed a financially favourable variance of £258,000, this was due to underspend budgets outside of the operational elements. A review of support service functions, following ten years of austerity working with what was available, showed that many functions were working close to the line.

The Financial Monitoring Report was noted.

## 74/19 **Portfolio Management (3PT)**

Following a request from the representative of the Police and Crime Commissioner at a Policy Planning Forum, the Authority received a report setting out the Service's approach to managing workstreams through Portfolio Management



providing a high level overview of how the Service delivers value to the communities of the West Midlands.

Following the Peer Review and evidence collated it had become clear that staff understood and believed the vision of WMFS but that the work was delivered through conversations and relationships. It was recognised that there was a need to understand organisational investment and value through evaluation and scrutiny. It was decided that a non-bureaucratic and streamlined process was required that avoided duplication.

It had been evidenced across the fire sector through a range of reports that a focus needed to be placed on evaluation and understand the benefit of work that was being undertaken to the community. The economic cost of fire through the Community Risk Programme was being looked at.

The 3 PT tool creates an auditable process to demonstrate the effective work people are undertaking capturing the investment and value delivered through each area of work with the method being 20% process and 80% leadership.

The report set out the deliverables (aims and objectives) and accountability for the projects. The Portfolio (CFO) is accountable for the Programmes.

There are three Programmes managed by the Brigade Managers. The Programmes are accountable for Projects.

The Programmes are:

1. **Cultural** – with the Key Performance highlights  
Diversity, Inclusion, Cohesion, Equality (DICE) Project  
Cultural Review Project  
Property Asset Plan Project  
Fire Control Vision Project
2. **People** – Key Performance Highlights  
Workforce Planning Project  
Command Based Delivery Project  
Delivery Project – Emergency Services Show
3. **Process** – Key Performance Highlights

Protection Delivery Project – Brigade Response Vehicles  
Protection Technical Delivery Project – Planning and  
Building Regulations  
Protection Technical Delivery Project – Fire Engineers  
Vehicle Replacement Project  
Strategic Performance and Planning Framework Project

All financial investment is directly reflected in each project.

The Strategic Enabling Team assess and manage organisational risk and issues on a day to day basis through the 3PT approach.

3 PT is the acronym for a layered approach to portfolio management.

The CFO stated that some of the terminology may be unfamiliar to Members but felt that over time the process would become more familiar.

The representative of the PCC found the report useful in setting out the strategic responsibilities and would be interested to see how it develops and adds value to the work of the Service and thanked the CFO for the report.

The Authority noted the report.

## 75/19 **Brigade Management Recruitment Process**

The Authority noted the decision taken on the 5<sup>th</sup> July 2019 under the 'Arrangements to Act in Matters of Urgency' (Constitution Standing Orders, Part 7 (17) to delegate the Authority to the Chief Fire Officer to revise the establishment of an additional Assistant Chief Officer role and commence the recruitment of a Deputy Chief Fire Officer and Assistant Chief Officer.

The Authority noted the decision made by the Appointments Committee as set out in the minutes of 9 September 2019. The Authority noted the commencement of the recruitment process for the appointment of an additional Assistant Chief Fire Officer (ACFO).

The Chief and Chair had considered the outcome of the review of the Strategic Enabling Team where the composition of the Brigade Management Team (BMT) and Strategic Enabling Team (SET) was considered. Following the review of SET, it was recommended to increase the current establishment of 3 to a future establishment of 4 thus providing gold cover on a 24/7 basis, aligned to the Gold Book recognised approach and providing resilience and contingency arrangements.

The increase in Brigade Managers would also recognise the Authority's duty of care in operating a duty system and its impact on work/life balance.

The proposed approach would support the effective leadership of the Service in continual improvement and the delivery of the plan through the three programmes of People, Process and Culture.

The reconfiguration of posts would be achieved in a broadly cost neutral way, through disestablishing the role of the DCFO and reducing the current establishment of 6 Areas Managers to 4.

It was stated that Section 3.6 of the report was inaccurate. In as much as the 10% enhancement for the four Area Managers was not for the work outside of the Area Manager role map but was in recognition of additional workload and flexibility and consultation was taking place with key stakeholders.

Following agreement with the Chair on the 5 July to increase the establishment of the Brigade Manager Team to 4, whilst retaining the role of the DCFO, and recruiting an additional permanent additional ACFO role, the DCFO role was advertised nationally on 24 July 2019.

A selection process took place between the 9 August and 9 September 2019 when the Appointments Committee appointed Mr Wayne Brown to the post.

A process would commence to appoint a new ACFO, once the proposal around the review of the Area Managers had progressed through the Employee Relations Framework and, if

appropriate, the application of the Reorganisation, Redeployment and Redundancy Policy.

## 76/19 **Streaming of Fire Authority Meeting**

The Authority noted the information regarding the options to enable the future streaming of all Fire Authority meetings both internally to staff and externally to the public.

The Authority has a legal duty to provide a record of public meetings and it fulfils this through the publishing of papers prior to an Authority meeting as per statutory requirements and publishes its minutes.

To enable further transparency in decision making all Authority meetings are open to the attendance of members of the public, members of staff (where appropriate) and press except for the hearing or reports which has been classified as private.

The streaming of Authority meetings could provide new opportunities for staff and residents of the West Midlands to view meeting and hear the decision making process. Providing them with the ability to understand the background, discussion and challenges in decision made at Authority meetings.

The Authority considered the two options:

1. Live streaming internally and externally and
2. Live streaming internally and publishing the video and audio record externally.

Officers would be reviewing the options further to understand the resources required and the financial implications and a further report providing an overview of costs versus anticipated value would be brought back to the Authority for decision.

Members thought this was a good idea and welcomed the progress and suggested that it should start internally initially and then be broadcast outside and the public would be able to see how the Fire Authority works.

The representative of the Police and Crime Commissioner stated that the strategic Police and Crime Board broadcast their meetings live and this provided additional transparency.

The Chair said that additional transparency provided more openness of the Authority's decision making.

It was confirmed that following the Policy Planning Forum, the Cultural Review Team would be presenting their report. The technology for live streaming would be trialled on this day internally to test the equipment.

Following this, further work would be undertaken to stream Authority meetings both internally and externally.

## 77/19 **Member Engagement with Stations**

The Committee received a report on the proposed approach to enabling effective feedback from visits to the Service, as a key component of member engagement and a schedule of visits.

The Constitution of the Authority requires all members to be actively aware of issues inside and outside of the Authority, relevant to the provision of fire and rescue services in order to fulfil a community leadership and representative function, working as necessary in partnership with other local organisation in order to effectively promote the safety and well-being of the whole community of the West Midlands. The Constitution also requires that members undertake at least 2 station visits per year.

To support this a schedule of visits had been prepared and was attached as an appendix to the report. The visits had been aligned to take place on a quarterly basis providing members with the ability to meet their widest compliment of staff. Quarterly newsletters will continue to provide updates on progress and performance.

Members were encouraged to engage directly with station commanders and/operational commanders to vary any of the arrangements set out in the Schedule of visits.

The visits will form part of members reports back to local councils. Themes identified will be analysed quarterly and will support members in the determination of the Authority's scrutiny programme. The themes will also be fed quarterly into the Strategic Enabling Team meetings.

It was confirmed that the visits would move around each station in all of the command areas over the forthcoming year and beyond.

The Chair encouraged member attendance and confirmed that attendance would be recorded and monitored. Members were requested to inform Julie Connor when they visited stations so that details could be captured on the Committee Management Information System (CMIS).

One Councillor felt that her visits to local stations in Coventry had been productive and attended for regular chats, not just on Open Days, and had been made exceedingly welcome by all of the different officers.

The Chair echoed these thoughts and stated that members would be made very welcome on stations, and regular attendance would provide greater insight for all members.

**Resolved** that the schedule of station visits and an agreed approach to enabling effective feedback from visits into the Service, as a key component to member engagement be agreed.

78/19 **Contract Awards Summary of period 30 September 2019**

The Authority noted the contracts in excess of £250,000 that had been awarded since April 2018.

79/19 **Minutes of the Audit and Risk Committee held on 29 July 2019**

The minutes of the Audit and Risk Committee held on 29 July 2019 were received.

80/19 **Minutes of the Appointments, Standards and Appeals Committee held on 9 September 2019**

The Minutes of the Appointments, Standards and Appeals Committee held on 9 September 2019 were received.

81/19 **Exclusion of the Public and Press**

**Resolved** that he public and press were excluded from the rest of the meeting to avoid the possible disclosure of exempt information under 12A to the Local Government Act 1972 as amended by the Local Government (Access to Information)(Variation) Order 2006 relating to the financial or business affairs of any particular person (including the authority holding that information).”

82/19     **Business Continuity Arrangements**

This item was deferred for the report to be scrutinised for pre-decision by the Scrutiny Committee.

Meeting closed at 1158 hours



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