

**Minutes of a Meeting of the
West Midlands Fire and Rescue Authority**

21 September, 2015 at 11.00 am
at Fire Service Headquarters, Vauxhall Road, Birmingham

Present: Councillors Afzal, Aston, Singh Atwal, Barlow, Clinton, Craddock, Davis, Dehar, Douglas-Maul, Edwards, Eustace, Hogarth, Idrees, Miks, Quinnen, Sealey, Shackleton, P Singh, T Singh, Skinner, Spence, Tranter, Ward and Young.

Apologies: Councillors Barrie, Mottram, B Singh and Skinner

Observer: Mr Ager.

65/15 **Declaration of Interests**

Councillor Edwards declared a non-pecuniary interest in Minute No. 71/15 below (Monitoring of Finances).

66/15 **Chair's Announcements**

The Chair announced that a new Appendix 2 to Item 11, Birmingham Electoral Review, had been tabled. The Chair confirmed that there would be a Guided Tour of Safeside at 1330 hours following the Authority meeting and he referred Members to a flyer indicating forthcoming Member development opportunities to the High Rise Facility on Monday 14 December 2015 at 1400 hours and a visit to the Transport Engineering Workshops on 15 February 2016 at 1400 hours.

The Chair announced that the West Midland Fire Service Band would be holding a concert on Saturday 3rd October 2015 at Sutton Coldfield Town Hall. Tickets were available from Julie.Connor@wmfs.net. A leaflet was circulated to all Members indicating the Members of SET, their references and contact details.

Following a request at the Audit Committee on the 7 September 2015, the Chair confirmed that the meetings of the Audit and Scrutiny Committee due to be held on the 12 October 2015 would now commence at 1300 hours and not 1230 hours as previously agreed.

The Chair welcomed James Cook, Emily Mayne and Lauren McHugh from Grant Thornton to the Authority meeting.

67/15 **Minutes**

An amendment to minute numbers 47/15 (a) and 48/15 was required as the reference to 2014/15 should read 2015/16 in both instances.

Resolved that the minutes of the meeting held on 21 September 2015 be confirmed as a correct record.

68/15 **Revision to Procurement Standing Order**

The Authority considered the revision of the Procurement Procedure Standing Order. The Standing Order had been reviewed in line with The Public Contract Regulations 2015 which had come into effect on 26 February 2015. The main changes included:

- Clarity on awarding a contract to another Contracting Authority
- Changes to reporting requirements
- Changes to evaluation criteria rules
- Changes in timescales for return of tenders
- Clarity on pre-market engagement
- Introduction of new competitive procedures
- Clarity on variations to contracts

Following approval to a change to the Constitution at the Authority meeting held on 29 June 2015, the tenders in excess of £250,000 would now be reported to Members requesting permission to tender and again after an award for information. The amount had previously been for tenders in excess of £100,000.

The issuing of tender opportunities and the opening procedure had changed due to the introduction of an electronic tendering system.

There were now enhanced requirements to consider Social Value in all contracts in addition to the Public Services (Social Value) Act 2012.

In answer to Members' questions and a request for a six monthly report indicating all of the contracts between £100,000 and £250,000, it was confirmed that the purpose of the change to the Constitution at the Authority meeting held on 29 June 2015 was to produce a report indicating contracts in excess of £250,000 and as a consequence the reporting process had changed. However, it was agreed that a separate appendix would be produced for the six monthly report to the April 2016 Authority meeting indicating the contracts that had been let between £100,000 and £250,000. The Members would then see how the changes were progressing.

The information could also be presented to Scrutiny Committee if this was required.

Resolved that the revised Procurement Procedures Standing Order 1/8 be approved.

69/15 **Audit Findings 2014-2015**

The Authority considered the Audit Findings Report. The Audit Findings Report set out and reported the key messages arising from the external audit work undertaken during the year. The Audit Findings Report is designed to support the Auditor's opinions and conclusions and is a requirement of the Code of Audit Practice.

The Auditor from Grant Thornton UK presented the Report and explained the findings to the Members of the Authority. The Auditor highlighted that the key message arising from their audit of the draft accounts was that the working papers were of an excellent quality.

The Committee's attention was brought to a post balance sheet event which was caused by a Pension Ombudsman decision which required changes to the pension calculations for some pensioners.

The Auditor anticipated providing a clean and unqualified opinion on the Financial Statements and based on a review of the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources, the Auditor proposed to give a clean and unqualified Value for Money conclusion.

The Auditor felt there was nothing in the accounts which would affect the Whole of Government Accounts.

Attention was drawn to two main categories where a number of control weaknesses had been identified, these were:

- IT weaknesses in relation to system access, and
- IT policies and procedures

An action plan and recommendations where appropriate had been agreed with the Strategic Enabler of Finance and Resources.

There were no areas of the Audit Findings against significant risks and other risks that needed to be brought to the attention of the Authority.

Two significant matters had been discussed with management, these were:

- Accounting for the purchase of Smoke Alarms and CO Detectors supplied to each Fire Authority in England
- Accounting for the Pension Ombudsman's decision – Government Actuary's Department commutation factors.

The Auditor explained the colour coding key to the Accounting policies, estimates and judgments. The risk of fraud, compliance with relevant laws and regulations had been discussed with the Audit Committee and positive assurances had been received from Officers and the Audit Committee. A letter of representation to the Auditor had been requested from the Authority.

There were some areas for improvement in the IT assessment which was shown as Amber.

Overall the Auditor felt that the Statement of Accounts to date showed healthy reserves and balances. The budget was rated Green (adequate arrangements) and was sound and sensible at the moment, however, the Auditor acknowledged and appreciated the financial challenges facing the Authority and this would be reviewed in the future.

The Auditor acknowledged the work of the officers in enabling the Audit to run smoothly in the Executive Summary of the report.

The Chair wished to place on record the Authority's appreciation for the work carried out by officers on the external audit and the cooperation shown to Grant Thornton in undertaking the work.

The financial management is being undertaken in difficult times, £28m had been taken out of the budget over the last five years with another estimated £14m to be found in the next three financial years. This was being achieved whilst maintaining the standard operating model and response time and was a difficult balancing act. He congratulated operational and financial officers in delivering an excellent service in difficult circumstances.

The Chair thanked the Treasurer, Deputy Treasurer and the Procurement and Financial Managements Teams for their work on the accounting, purchase and distribution of £3m worth of Smoke Alarms and CO Detectors to the majority of Authorities in the country. The work had been undertaken following a request from the government to purchase the alarms at the end of the last financial year.

The Chief Fire Officer echoed the Chair's comments on this important work and felt that the appropriate level of risk had been taken in the procurement of these "life saving" alarms. The Chief Fire Officer also acknowledged the Auditor's comments on the uncertain times ahead and thanked the Auditor.

The Leader of the Opposition Group also wished to thank the officers and auditors for their work.

In response to a Member's question in respect of the excessive number of emails being received regarding problems with IT, the Deputy Chief Fire Officer explained that some issues had been experienced. Changes were being made to systems and some systems were being maintained or upgraded. Following the contract for enterprise agreement, the Brigade were moving to new office platforms and continually improving.

The Chief Fire Office explained that the ICT staff had been very much squeezed by financial savings whilst, at the same time, were moving to open source technologies to ensure the Brigade were technologically enabled. Some bugs had been experienced but they were delivering more with less people to ensure the best service to the community.

Resolved that the contents of the Audit Findings Report (AFR) be noted.

70/15 Statement of Accounts

Member's approval was sought for the Authority's Statement of Accounts for the financial year ended 31 March 2015. The full statement can be viewed at <http://www.wmfs.net/content/statement-accounts> and is 85 pages long. A summary of the statement outlined the main issues.

The Treasurer highlighted the overall revenue budget and that the actual level of general balances had shown a small increase of £16,000, leaving £9.2m general balances at the end of the financial year.

The level of earmarked reserves increased by £5.6m. A significant amount of this (£5.2m) had been used to supplement the funding required for the redevelopment of Aston and Coventry Fire Stations as previously approved by the Authority. The opportunity had been taken during the closedown of accounts process to ear-mark this revenue funding to meet the commitment.

The total level of ear-marked reserves was £36m. The Auditor felt that the level of reserves was appropriate. No borrowing had been undertaken during 2014/15. Borrowing in earlier years meant that at the end of 2014/15, total borrowing was £41m.

The balance sheet showed the value of long term assets of land and buildings of £139m.

In answer to the Chair's question about the total Provision of Services in 2014/15 showing a deficit of £67.21m, the Treasurer explained that this was predominantly due to the accounting requirements regarding pension related issues.

Resolved that the Statement of Accounts for 2014/15 be approved and the summary be noted.

71/15 Monitoring of Finances

The Authority noted a report on the monitoring of finances to the end of August 2015, which included revenue expenditure and the capital programme.

Appendix A, Revenue Budget showed a saving of £248,000. The favourable main variances from the Devolved and Corporate Budgets were £95,000 from reduced staffing in Fire Control and £98,000 from a variety of savings in Operations. The adverse variance of £79,000 against People and Performance was in respect of the actual operational staffing numbers being higher than the budgeted establishment in the early part of the year, although this situation is anticipated to reverse during the second half of the year due to the suspension of recruitment.

Appendix B showed the latest position in respect of the Firefighters' Pension Schemes and was in line with the start of the year.

Appendix C, Capital Monitoring Statement 2015/16, showed a spend of £935,000. Savings were forecast in respect of roof replacements as these were not now proceeding or required less work than previously anticipated. The latest budget was £5.4m and the largest amount would be spent on the replacement of seven Pump Rescue Ladders later in the year.

In answer to Members' questions, the Treasurer agreed to provide further information on the window replacement item outside of the meeting. The Treasurer also explained an overspend at Haden Cross Fire Station had been caused by a request to adapt community space to provide rental opportunities to relevant organisations.

72/15 **Contract Awards Summary for Six Month Period to 30 September 2015**

The Authority noted the Appendix that summarised the contracts in excess of £250,000 for the six month period to 30 September 2016. It was also noted that contracts between £100,000 and £250,000 would be reported at the end of the financial year in April 2016.

73/15 **Update on Rebuild of Coventry and Aston Fire Stations**

The Authority noted the update on progress of the Coventry and Aston Fire Station development projects.

The DCFO explained that following a meeting with the Architects, it had been explained that Option 2 in the Authority paper of the 16 February to knock down the existing fire station, hot fire training facility and rebuild both on the existing site might provide better value than Option 1.

A further update report would be presented to the Authority on 23 November 2015 following the next formal meeting with the Architects.

In respect of Aston Fire Station, meetings and discussion had been ongoing with local Planning and Conservation Officers regarding Option 1 and the possibilities of demolishing the existing Fire Station and how the listed status could be removed.

Local Planning and Conservation Officers have now stated that there would be no opportunity to remove the listed status therefore architects were working on the design on this basis.

In answer to a Member's question, the Deputy Chief Fire Officer confirmed the timescale for redevelopment to be in the region of two years, but plans had yet to be submitted. Detailed timelines would be reported to the Authority when they became available.

74/15 **Electoral Review of Birmingham**

The Authority noted the internal consultation process that had been undertaken with key stakeholders to inform and shape the response to the Birmingham Electoral Review. It was felt that the changes would not adversely impact the Authority operationally. It was also noted that the broad response, attached as an Appendix, referred mainly to the naming of wards in order to limit the disruptive impact of any proposed name change upon the Service and delivery of services to the Birmingham Communities.

In answer to a Member's question it was confirmed that the naming of a ward as Erdington and Stockland Green was given purely as an example.

Birmingham Members felt it difficult to comment at this time as the consultation process was still ongoing.

75/15 **Notes of the Policy Planning Forum held on 7 September 2015**

The notes of the Policy Planning Forum held on 7 September 2015 were received.

Members who had not attended the Forum appreciated the fullness of the notes.

Cllr Craddock had not attended the Forum and asked for the notes to be amended to reflect his non-attendance.

76/15 **Minutes of the Audit Committee held on 7 September 2015**

The minutes of the Audit Committee held on 7 September 2015 were received.

77/15 **Minutes of the Scrutiny Committee held on 17 August 2015**

The minute of the Scrutiny Committee held on 17 August 2015 were received.

78/15 **Exclusion of the Public and Press**

Resolved that the public and press be excluded from the rest of the meeting to avoid the possible disclosure of exempt information under Schedule 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) and information relating to any action taken, or to be taken in connection with the prevention, investigation or prosecution or crime).

79/15 **Planned Procurement Exercise**

Approval was sought for the planned tender exercise for the provision of goods and services in accordance with the Procurement Standing Order 1/8.

Resolved that the tender exercise for the provision of a Wide Area Network be approved.

80/15 **Action of the Chief Fire Officer in Consultation with the Chair and Vice-Chair of the Authority**

The Chief Fire Officer reported on action which he had taken, in consultation with the Chair and Vice-Chair, to authorise the instigation of legal proceedings for failure to comply with the Regulatory Reform (Fire Safety) Order 2005.

(The meeting ended at 1152 hours)

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