

## **WEST MIDLANDS FIRE AND RESCUE AUTHORITY**

**18 February 2019 at 1100 hours at  
Fire Service Headquarters, Vauxhall Road, Birmingham**

Present: Councillor John Edwards (Chair)  
Councillor Zafar Iqbal (Vice Chair)  
Councillors Aston, Barrie, Barlow, Brackenridge,  
Craddock, Dehar, Hogarth, Jenkins, Miks, Spence,  
Tranter, Walsh, and Young  
Mr M Ager, Independent Member

### **1/19 Apologies for Absence**

Councillors Walsh and Tranter, Gurinder Josan (Representing PCC), Prof Simon Brake and Ms Sarah Middleton, Co-opted Members

### **2/19 Chair and Chief Fire Officer's Announcements**

The Chair presented the Chief Fire Officer, (CFO) Mr Phil Loach, with a certificate marking his 25<sup>th</sup> year of Service with the West Midlands Fire Service. The certificate recognises the Service given by the Chief Fire Officer and the Chair thanked the Chief for his Service.

The CFO informed the Authority that after 27 years' service, seven as a Principal Officer in West Midlands, Deputy Chief Fire Officer Philip Hales had announced his retirement.

DCFO Hales stated that he had joined West Midlands Fire Service in 2010 as a temporary Assistant Chief Officer from Cheshire Fire and Rescue Service and this was one of his best decisions. The DCFO had enjoyed working in and with the community of the West Midlands. The people had inspired him in what had been achieved.

Mr Hales was moving back home to Cheshire to be with his family and he felt it was the right time to start a new chapter of his life.

DCFO Hales thanked the Authority, the CFO and Chair for the opportunity to serve in the West Midlands and was extremely

proud to have served here. Mr Hales stated that he would be retiring at the end of June and would be leaving with no regrets or concerns. The DCFO hoped the Authority would build on the progress it had made in the future and continue to provide a sustainable Fire Service for the community of the West Midlands. He thanked everyone and gave his best wishes for the future.

The Chair on behalf of Authority thanked DCFO Hales for his work, his clear role on the National Fire Chiefs Council and for Chairing the Finance Committee and arguing valiantly for better deal on behalf of Fire Service. The Chair also thanked the DCFO for his work for the Service and the fire service nationally. The West Midlands Fire Service would miss him and wished him a long and happy retirement.

DCFO Hales thanked the Authority for their good wishes.

The LGA would be running a Leadership Course at Warwick University on the 26/27 February 2019 and expressions of interest were welcome from Members of the Authority.

The Service were hosting an LGA Masterclass on Equality and Diversity on the 20 February 2019 at Fire Service Headquarters. Members were asked to contact Julie Connor, in Strategic Hub, if they wished to attend.

The Police and Crime Commissioner had formally informed the Authority that Mr Gurinder Singh Josan would be representing him at future meetings of the Authority. It was noted that Mr Singh Josan was a former member of Sandwell MBC.

It was noted that the Fire Service Band would be performing a Spring Concert at St John's in the Square, Wolverhampton, WV2 4BZ on 2 March 2019 at 7pm Tickets were available from the Band.

Following the recent Inspection the Chief Fire Officer had received the a brief update from Inspection Team on the 8 February 2019.

In respect of efficiency and effectiveness there was wide commendation for the Service.

Inspectors acknowledged that there had been much dialogue with staff but bringing change and transformation had also brought tension.

There were no safety concerns and the Chief felt that the Authority would not be disappointed with their report.

The Chief Fire Officer informed the Authority that he would be writing to the seven Chief Executives updating them of the work being undertaken by the Service in respect of high rise fire safety post the Grenfell incident.

Birmingham City Council had tested the cladding on all high rise buildings in Birmingham and there were limited flammability concerns in those buildings and the Service had changed the level of response to those buildings.

It was hoped that other Councils would follow the example of Birmingham City Council. Wolverhampton City Council had started to follow suit. This work would provide the best information on the on foreseeable risk.

The letter would be sent out within the next 48 hours and the Chief Fire Officer wanted to make Members aware that they may be approached by their Council colleagues.

3/19 **Declarations of Interest**

Councillor Brackenridge declared an interest in item 11 of the Agenda. The Chair declared an interest in the same items and stated they were personal and non-pecuniary.

4/19 **Minutes of the Fire Authority held on 19 November 2018**

**Resolved** that the Minutes of the Authority held on the 19 November 2018, be confirmed as a correct record.

5/19 **Investment in Support Services**

The Authority received a report from the Chief Fire Officer requesting approval for the ongoing further investment within the Support Services.

The reductions in the Comprehensive Spending Review since 2010/11 had resulted in significant reductions and changes to support services and the implications of the changes over this period of time were being revealed. There was now a requirement to invest in the Diversity, Inclusion, Cohesion and Equality (DICE), Information Communications Technology (ICT) and Intelligence and Innovation (I&I) Teams.

The investment places a heavy emphasis on roles which will enable more innovative and digital solutions to help people, systems and processes to become more efficient and effective.

The DICE Team required an additional Watch Commander A role who would be responsible for the attraction and initial selection of applicants for firefighter recruitment and, working in partnership with colleagues at the Fire Service College and marketing company, Thinkology.

Candidates who are successful during the initial stages of online assessment are invited to attend an assessment day. Currently the assessment is carried out by off duty firefighters, Crew Commanders and Watch Commanders on a goodwill basis. The additional resourcing and funding is now required. The Watch Commander A post would be supported by Assessors role and required an annual investment of £59k from 2019/20.

Our current Enterprise Resource Planning (the collective name for a wide range of back office applications that are essential across by Service Delivery and Service Support) are now in need of replacement.

The ERP has been identified as a strategic platform for delivery of the digital agenda. Digital work underpins the delivery of the Plan with a high number of key projects reliant on technological solutions to deliver more efficient and effective ways of working and would be instrumental in organisational transformation.

The current ERP systems requiring a refresh include:

- Human Resources, Occupational Health
- Time and Attendance
- Training and Competence
- Procurement
- Finance
- Payrolls
- Business Intelligence

The need to implement replacement ERP systems is based upon the following three areas:

- Replacing outdated systems and reducing associated risks
- Modern solutions' functionality provides new enhanced digital tools to our mobile workforce
- Business process re-engineering improves efficiency through better ways of working

High level market research has been carried out following engagement with internal and external stakeholders. The findings have identified that Commercial Off the Shelf (COTS) products and partners are readily available within Procurement Frameworks.

Investigative analysis to date indicates an uplift of £350k per annum is likely to be needed from 2021/22 to provide for ERP licencing and support.

Intelligence and Innovation (I&I) carries out a vital role through it Organisations Assurance (OA), Health, Safety and Wellbeing work.

OA is a critical part of the organisation's three lines of defence risk management framework. Reductions in I&I have taken place since 2010 and the team has been supported by earmarked reserves which is no longer sustainable and there is a need for an uplift of £23k.

Management resources within the team have been realigned to Health, Safety and Wellbeing subsequently reducing organisational assurance capability.

Further to additional workloads, new burdens are further increasing the overall demand upon I&I, e.g. Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services, Health and Safety Executive inspections, high profile incidents such as Grenfell and Manchester Arena bombing and requirement to implement and embed National Operational Guidance.

Restructuring and new ways of working have been implemented, but further investment is needed through the creation of a Station Commander B and Watch Commander B post require £120k ongoing investment.

Considered alongside the adoption of the £23k funding required to maintain the existing team, total investment for I&I equates to £143k per annum from 2019/20.

The financial implications were set out in a table to the report, but it was noted that there was currently no specific budget provision and costs would need to be met from existing budgets.

One Councillor expressed her concerns about the effect that the cuts to services and funds not being available to support planned projects and felt that the community would be suffering as a result and asked how the Service would be compensating for the loss of services.

The Chief Fire Officer stated that he tried to keep Members aware of the various changes, whilst maintaining the best service to the community, including the 5 minute attendance time and various changes to prevention and protection. The significant cuts to the budget have meant decisions have had to be taken whilst managing the least risky options.

Some of these changes may be less able to detect but the four areas identified as a result of review required investment. The increased burden of Inspection had required a significant amount of resource that had to be redirected from elsewhere.

It was likely that the Authority would be required to return to similar decisions in the future. If the overall funding package was not increased, the Authority would be required to make

difficult cuts and the size and ambition of the Service may need to be reduced in the future.

The Chair stated that the cuts to services were a consequence of the £10m cut to Government funding in the last four years and £38m overall and support staff had been reduced by 26%.

A report to the Authority in November 2018 had required more investment in the Protection Department following cuts of 40%.

Whilst maintaining the best possible response times, other services have paid a heavy cost with support services trying to hold things together. The key areas of DICE, I&I and ICT now required further investment and the Chair was supportive of this. The constant significant cuts over the years may create other issues in the future.

**Resolved** that the ongoing further investment within Support Services be approved.

#### 6/19 **Strategy Option 2019-2020**

The Authority considered the approach set out to deliver “The Plan” and set a balanced budget, through the flexible, risk-based management of resources on a daily basis.

The Chief Fire Officer explained that he would manage resources and determine and manage fleet availability, to support the delivery of the approach as appropriate.

The Authority had previously been provided with a range of options to consider in addressing the 2019/20 £3m deficit within the Authority’s Financial Efficiency Plan. The Authority had also approved an additional investment of circa £600k for the protection function to enable efficient and effective delivery of the Authority’s statutory fire safety responsibilities, in support of current and changing legislation.

Further investment in support services would also be required to effectively and efficiently deliver ‘The Plan’ over a 3 year rolling period and beyond. This would be in addition to the £3.6m savings required. The CFO stated that he would continue to lobby the government for an appropriately funded service.

An assessment of the five options presented to the Authority on 19 November 2018 had been conducted. The recommendation to the Authority was essentially an amalgamation of staff/resource availability and resources configuration. The shift arrangements and on-call firefighter options had been discounted as from analysis no significant savings would be made from these options.

Risk analysis and evidence informs the Integrated Risk Management Plan (IRMP) and looks to assess all reasonably foreseeable risk within the community.

The CFO will determine the most effective flexible management of risk and allocation of resources on a daily basis. This will be achieved through the use of an evidence base, the IRMP, technological solutions such as the Dynamic Cover Tool, technical expertise and professional judgement.

The expected budget constraints during 2019/20 will result in a number of resources being unavailable each day, but a flexible risk-based approach to decisions made by the CFO on a day to day basis will enable resources to be available on a day to day basis. A full Equality Impact Assessment has been carried out and the risk based, flexible approach outlined in the recommendation supported by the ongoing targeting of prevention and protection work towards the most vulnerable helps to mitigate any potential equality impacts.

The Authority had noted that the Review of the Strategic Enabling Team and the Flexi Duty System would form a part of the management review.

The Set review, being carried out by the CFO, would be completed by 31<sup>st</sup> March 2019.

There would be no significant changes to the current levels and roles of supervisory management within the organisation. In recognition of this all temporary vacant roles would be substantiated. The application of this would be based on a set of implementation principles underpinned by the recognition and substantiation of individuals in vacant roles who have passed a recognised selection process with the intention to start applying the principles against an agreed timeframe in April 2019.



Appendix 1 to the report set out illustrative examples of risk based management of fleet availability to deliver a balance budget.

Members were asked to note that the two Pump Rescue Ladder (PRL) appliances allocated to technical Rescue are not included in the options, due to the specific and specialised role they provide.

The proposed flexible, risk-based management of resources on a daily basis would provide the basis of achieving the required level of savings, specifically by a reduction in employee related costs.

Based on current estimates and assumptions within the Medium Term Financial Plan, there is a forecast budget shortfall of approximately £1.7m in 2021/22. Unless an improvement in the Authority's funding position and/or any alternative Service efficiencies are identified, the approach proposed to balance the budget in 2019/20 would need to be extended further to achieve a balanced budget in future

In answer to a Member's enquiry it was confirmed that consultation had taken place with the Representative Bodies and firefighters would not receive less pay. There would not be any enforced redundancies, but there would be a reduction in the use of Voluntary Additional Shifts.

One Member stated that this was the best of the bad choices facing the Authority and the spending cuts were now starting to affect the front line and service to the public.

Robust negotiations had been held with the Representative Bodies and no changes were being made to shift patterns or conditions of service. The option was to now look at the fleet and it was felt that this was a difficult but the best decision.

The Chair stated that the Service Delivery Model had been maintained since 2011 whilst continuing to meet response times, carrying out Safe and Well visits and addressing the needs of vulnerable people.

This had been continued through reduced budgets, but the Authority could no longer afford to keep appliances on the run and continue with the levels of Voluntary Additional Shifts and would now be pre-stating appliances as this was what the Authority could afford. The primary impact of the decision, at this difficult time, would be on the number of Safe and Well visits conducted. The Safe and Well visits are carried out by on duty firefighters and the Authority would now be supporting less vulnerable people and this was seen as a retrospective step and not fulfilling the Authority's wishes.

More investment was required to return to where the Authority wished to be, but this was the least worst option with the least risk. The risk based attendance times would be maintained

The CFO confirmed that all staff had been engaged with directly and further engagement and consultation would be taking place on the Employment Relations Framework.

The CFO stated that the recommendations were underpinned by the requirement to prepare an Integrated Risk Management Plan and this was where the focus had been placed. The robust approach to the IRMP had considered the financial or political lenses sequentially. The CFO stated that until the funding issues had been resolved this was the best option available to the Authority.

**Resolved** that the approach set out in the paper to deliver 'The Plan' and set a balanced budget, through the flexible, risk-based management of resources on a daily basis be approved.

**Resolved** that the Chief Fire Officer through the Authority's approved accountabilities would manage resources and determine and manage fleet availability to support the delivery of the approach as appropriate be approved.

## **7/19 Budget and Precept 2019-2020 and Budget Forecast 2020/2021 to 2021/2022**

The Authority considered a report on the Authority's Net Revenue Budget for 2019/20, the consequent additional 2.99% Band D Precept Level increase and the resultant amount payable by each constituent District Council, the Capital Programme for 2019/20 to 2021/2022, the Treasury Management Strategy including the Minimum Revenue Provision Statement and Prudential Indicators.

As part of the settlement for 2016/17 an offer was made for a multi-year funding settlement. In order to take up the four year funding settlement to 2019/20, the Authority considered and approved the Efficiency Plan on 19 September 2016 which was submitted to the Home Office.

On 13 December 2018, the Secretary of State for Ministry of Housing, Communities and Local Government (MHCLG) had announced the provisional settlement for 2019/20 at £52.048m resulting in a core funding reduction of £0.982m. The Government also proposed a Council Tax referendum threshold of 3% for Fire and Rescue Authorities.

The four year settlement offer announced in December 2016, which had been confirmed each year, had resulted in the following core funding reductions:

- 2016/17 £3.278m
- 2017/18 £3.962m
- 2018/19 £1.673m
- 2019/20 £0.982m

A total reduction over the four year period (2016/17 - 2019/20) of £9.895m (16% of the 2015/16 core funding).

The MHCLG confirmed the Authority's 2019/20 total core funding on the 29 January 2019.

The projected budget included a number of efficiency measures which were set out in the Efficiency Plan, amended as reflected in the earlier agenda report, as well as enabling any actions to be undertaken arising out of the Authority's Corporate Risk Register.

The Corporate Risk Register had identified a number of major risks that would seriously affect the Authority's ability to carry out its functions. The nature of the risk had made it difficult to quantify any funding impact that would arise were the risk to materialise and in the short term would result in a demand on the Authority's General Balances.

No government allocations have been made beyond 2020

### **Business Rates Retention**

The Business Rates Retention Scheme was introduced in April 2013. Local Authorities are able to keep 50% of the business rates revenue. Under these arrangements the Authority is entitled to a payment equivalent of 2% of the mount of Business Rates retained by the 7 West Midlands Councils. This is approximately £10m.

The Chancellor announced in the Spending Review in November 2015 the intention to localise 100% of business rates to local authorities by 2019/20, however the Local Government Finance Bill fell when Parliament was dissolved for the General Election. The Government is still committed to the reforms.

The Secretary of State for CLG announced in the provisional settlement for 2019/20 of the Government's aim to increase the local share of business rates retention from 50% to 75% in 2020/21 in a way that is fiscally neutral.

### **Fair Funding Review**

The Fair Funding Review will affect how funding is allocated and redistributed between local authorities. It is currently proposed that the new arrangements will be introduced from 2020/21. The Review will set new funding baselines for every Fire and Rescue Authority. The Review had identified a strong rationale for retaining a separate funding formula for Fire and Rescue Services in the needs assessment. The Government has provisionally identified the cost drivers with the greatest impact for Fire and Rescue Services.

The Government have indicated there could potentially be significant changes compared to the current funding shares. The Government are considering different options from updating the existing Fire Funding Formula to developing a multi-level model using fire incident data as a proxy for relative risk.

Following further work to identify an appropriate approach to develop the new funding formula for the Fire Service, the Government has indicated it will sense-check the result of any analysis with experts in the sector, including the National Fire Chiefs Council. The Government will then form a view, however, this review adds another complexity and volatility to long term financial planning.

## **The Plan**

The Authority consulted the public in January 2017 providing the public with an opportunity to influence how the Service works. The Community Safety Strategy (the Integrated Risk Management Plan) is the risk analysis which identifies what the risk profile of the West Midlands community and provides analysis of where resources are required to enable effective management of these risks in order to achieve an average five minute risk based attendance standard for the most serious emergencies. However, following the Executive Committee decision on 6 June 2018 to remove new entrants' contracts it was recognised this would result in the need for a change in the Authority's strategy which is reflected in the Plan 2019-2022.

The Plan sets the Authority's strategic direction for the next three years and defines those outcomes, priorities and strategic objectives which are to be provided with reduced funding and resources.

## **Firefighters Pension Scheme – Employers Contributions**

Following the announcement by the HM Treasury to the discount rate for unfunded public sector pensions on 6 September 2018 and the earlier announcement in the Budget 2016, there has been a reduction to the discount rate from 3% to 2.4%, increasing the employer contributions (to include ill-health costs) from an average of 17.6% to 30.2% from April 2019.

The estimated cost to the fire sector would be around £107m per annum. However, in order to mitigate most of the increase, HM Treasury has provided additional funding in 2019/20, with the sector paying only the additional costs announced at Budget 2016. The Fire sector will pay approximately £10m of the additional costs in 2019/20. The remainder will be provided by a grant under s31 Local Government Act 2003.

The increase in the 2019/20 Employer's Pension contributions is estimated to be £5.3m for the Fire Authority, a s31 government grant of £4.9m has been allocated for 2019/20. The budget forecasts from 2020/21 reflect a continuation of this arrangements however, it should be noted that removal of the s31 arrangement would create an ongoing budget pressure of up to circa £5m.

### **Firefighters Pension Scheme – Court of Appeal Judgement Issues**

On 20<sup>th</sup> December 2018, the Court of Appeal handed down the judgement in the Firefighters transitional appeals case, finding the transitional protections introduced with the new Pensions scheme in 2015 were unlawfully discriminatory on grounds of age. The Government have submitted an application for permission to appeal to the Supreme Court. The report highlighted potential annual cost increases in employers costs of £1.5m.

### **Precept 2019/20**

All City/Metropolitan Councils had formally set their Council Tax base and had notified the Authority accordingly.

The Council Tax at Band D for 2019/20 would be £60.60, and increase of 2.99% (£1.76) per annum, the lowest precept for any stand alone fire authority.

The Council Tax amounts to £43.215m split between the constituent Local Authorities.

The final figures from external funding sources had now been notified and totalled £96.778m.

In addition to external funding it is estimated that the Authority will generate income of £3.079m (£3.977m in 2018/19). The 2019/20 budget also assumes the use of £1.1m in general balances.

### **General Balances Strategy**

The Authority noted that the General Balances at 1 April 2019 would be estimated at £6.9m, this equates to 7.1% of the Authority's 2019/2020 Net Revenue Budget. The actual level of General Balance at 1 April 2019 would not be determined until the completion of the Authority's 2018/19 closedown of accounts process.

The overall funding requires the use of £1.1m general balances to support the Net Revenue budget which includes an estimated 2% pay award assumption. This would result in the Authority's available General Balances being approximately £5.8m by the end of 2019/20

Meaningful financial planning is hampered as the four year finance settlement comes to an end in March 2020 and there is no clarity over funding levels, nationally and locally, after that date.

The level of General Balances is estimated to be approximately £5m by the end of 2020/21 which is considered appropriate given the issues highlighted. However, the use of General Balances is not a sustainable means of funding the Authority's revenue budget.

### **Capital Programme**

The Capital Programme had been monitored during the year and the projects set out in the capital programme. It is estimated that commitments in respect of those projects which make up the proposed capital programme are as follows:

2019/2020	£6.524m
2020/2021	£3.153m
2021/2022	£3.359m

Funding for the Capital Programme would predominantly be provided by Earmarked Reserves.

No specific announcements had been made by the MHCLG in relation to capital funding. The government have been asked to address the lack of any specific capital funding allocations for the Fire sector.

West Midlands Fire Service's Treasury Management functions are provided by Sandwell MBC, who have, in turn, appointed external advisors to support them. The Treasury Management Strategy for 2019/20 was set out in the report.

### **Planning for the 2019/20 to 2021/2022 budget**

The budgetary planning is closely linked with the delivery of the Plan, all financial pressures faced by the Authority have been considered and resources allocated as appropriate to fulfil the priorities of the Authority.

The robustness of the budget preparation and adequacy of reserves had been assessed and determined using a variety of mechanisms.

No borrowing would take place in 2019/2020.

Consideration will be given to the appropriate level of reserves required as at 31 March 2019 as part of the Authority's closedown of accounts process.

The current level of reserves are considered to be sufficient in all but the most unusual and serious combination of possible events and best endeavours have been made to ensure that the budget and reserves are adequate using the information at this date.

The forecast budget for 2021/22 shows a shortfall of £1.7m and the Authority's attention would need to be given to the Service adjustment that would be required to set a balanced budget for that year. There were a number of significant uncertainties that would need to be kept under review.

The Chair thanked the Treasurer for his explanation of the budget and confirmation that the Authority would be keeping its precept increase below the 3% threshold.



The Chair appreciated that this was a difficult budget and 2019/20 would be a difficult year for the Authority especially with the uncertainty of the re-evaluation of the national pension scheme. If the government doesn't support the Scheme by 2020/21 the whole amount, in excess of £5m, will fall on the Fire Authority.

The second issue is the Court of Appeal judgment on the Firefighters transitional appeals case. The decision relates only to the transitional protection arrangements in the 2015 firefighters pension scheme that applied to members of the 1992 Firefighters Pension Scheme.

If the case is upheld by the Supreme court, a £1.5m deficit will fall on the Authority making a total of £6.5m.

The Firefighters pay rise was still outstanding and discussions were taking place on the 19 February 2019 on broadening the role of the firefighter and a significant increase in pay. The Chair stated that if the government did not fund the pay rise, the Authority would need to pay for any increase above the 2% budgeted for.

General balances would be at £5m by 2021, 5% of the budget as recommended by the Auditors, however, the budget would be £1.7m in deficit by 2021/22.

This was not a happy picture for the Authority with no Government funding to support the capital programme and by 2022 the Authority would just only just be able to cover the £7m required for insurance purposes. The Vehicle Replacement Programme and replacement of vehicles would struggle to continue with only essential maintenance taking place unless further government funding was forthcoming.

Nine years of financial reductions had put the Fire Authority's back against the wall and the Authority did not have control of some of the issues, local and national, and would need the government to change its approach to funding.

One Member stated that he didn't take lightly the fact that the Authority were asking council tax payer to pay more for their services and expressed concern at the lack of capital funding for the building of fire stations in the future.

The Chair stated that the important message was that the Authority's precept had increased by £1.76 per annum, which equated to 14p per month more per household and the West Midlands Fire and Rescue Authority were still the lowest precepting Authority in the country.

The Leader of the Opposition agreed with the budget, he recognised that the Authority were in difficult times, but stated that the Treasurer always did a good job for the Fire Service and he supported the Treasurer.

The Chair thanked the Treasurer, Deputy Treasurer and their Team for the hard work and the great job to deliver a balanced budget.

The Treasurer thanked the Authority for their support.

**Resolved:**

- (1) That the Authority's Net Revenue Budget for 2019/20 of £96.778m which includes a Council Tax requirement of £43.215m, together with the associated precept levels and resulting Band D Precept Increase of 2.99%, as now submitted, be approved;
- (2) that the Authority's capital programme for 2018/19 to 2021/2022, as submitted, be approved;
- (3) that the Authority's Treasury Management Strategy which includes the Minimum Revenue Provision Statement, and the Prudential Indicators, as now submitted, be approved;
- (4) that it be noted that the constituent District Councils have formally set their Council Tax bases for the year 2018/19 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 made under Section 33 (5) of the Local Government Finance Act 1992 as follows:-

	<b>Tax Base</b>
Birmingham	251,580.00
Coventry	83,400.10
Dudley	92,253.95
Sandwell	74,150.81
Solihull	76,946.00
Walsall	70,792.74
Wolverhampton	<u>63,996.44</u>
	<u>713,120.04</u>

(5) that the following amounts be now calculated by the Authority for the year 2019/20 in accordance with Sections 40 to 48 of the Local Government Finance Act 1992.

- (i) £114,900,000 being the aggregate of the amounts which the Authority estimates for the items set out in Section 42A(2)(a) to (d) of the Act.
- (ii) £71,685,080 being the aggregate of the amounts which the Authority estimates for the items set out in Section 42A(3)(a) to (b) of the Act.
- (iii) £43,214,920 being the amount by which the aggregate at 5(i) above exceeds the aggregate at (5)(ii) above calculated by the Authority in accordance with Section 42A(4) of the Act as its council tax requirement for the year.
- (iv) £60.60 being the amount (5)(iii) above divided by the total amount at (4) above, calculated by the Authority in accordance with Section 42B(1) of the Act as the basic amount of its Council Tax for the year.

(6) Valuation Bands

	£ (to 6 decimals)	£ (rounded to 2 decimals)
A	40.399856	40.40
B	47.133165	47.13
C	53.866475	53.86
D	60.599784	60.60
E	74.066403	74.07
F	87.533021	87.53
G	100.999640	101.00
H	121.199568	121.20

being the amounts given by multiplying the amount at (5)(iv) above by the number which in the proportion set out in Section 5(1) of the Act is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Authority in accordance with Section 47(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

	£
(7) Resultant precepts:	
Birmingham City Council	15,245.694
Coventry City Council	5,054,028
Dudley MBC	5,590,569
Sandwell MBC	4,493,523
Solihull MBC	4,662,911
Walsall MBC	4,290,025
Wolverhampton City Council	<u>3,878,170</u>
<b>Total</b>	<u>43,214,920</u>

being the amounts given by multiplying the amount at (5)(iv) above by the appropriate tax base at 4 above in accordance with section 48(2) of the Act, as the amount of precept payable by each constituent District Council.

- (8) that the precept for each District Council as calculated at 5(iv) above be issued in accordance with Section 40 of the Local Government Finance Act 1992.

8/19 **Proposed Vehicle Replacement Programme 2019-20 to 2021-22**

Approval was sought to proceed with the proposed Vehicle Replacement Programme (VRP) for the financial years 2019/20 - 2021/22, based on the three-year capital costs and the years when the vehicles are estimated to be delivered.

Approval was sought for the funding for 2019/20

It was intended to procure a range of vehicles identified in the Vehicle Replacement Programme using the Crown Commercial Services Purchase Framework Agreement RM859, Open EU tenders and other approved Consortia routes that represent value for money to the Authority.

The Treasurer stated that Officers based at Transport Engineering Workshops using their professional skills and judgements had carried out a review of the ongoing Vehicle Replacement Programme.

Officers had focused on year one and intended to evaluate electronic vehicles to comply with the impending Birmingham Clean Air Zone and suitability prior to any proposed purchases in 2020/21. The replacement period for vans and cars had been extended from 7 to 8 years.

Vehicle life expectancies for replacement and review were set out and the option of leasing vehicles had and would continue to be explored.

One Member's personal view was that the move to electric vehicles was too soon to be considered.

The Chair felt that the Authority were not moving too quickly, but were taking a measured and modest approach as vehicles would not be able to get into city centres in the future without an exemption.

The CFO whilst recognising the comments made, stated that a Pump Rescue Ladder's life expectancy was 10 years, with three years in reserve and may not be usable in future.

Another Member felt that the Authority should pursue renewables as Birmingham City Council were about to introduce a clean air zone and other Councils would soon follow in a bid to reduce the carbon footprint. It was felt the Service should follow a mature and staggered approach to moving to electric vehicles and should be taken seriously.

**Resolved:**

- (1) that the Vehicle Replacement Programme for the financial years 2019/20 to 2021/22, as now submitted be noted.
- (2) that the funding for the Vehicle Replacement Programme for 2019/20 be approved.
- (3) that the intention to procure a range of vehicles identified in the VRP using the Crown Commercial Services Purchase Framework Agreement FM859, Open EU tenders and other approved Consortia routes that represent value for money to the Authority be noted.

9/19 **2019-2020 Property Asset Management Plan**

Approval was sought to the 2019/20 Property Asset Management Plan. In order to ensure the effective and efficient use of land and buildings, a Property Asset Plan is essential.

Considerable work had been completed during the previous 12 months to assess the appropriateness of existing property assets and consider where future investment should be directed.

Planned maintenance issues will be undertaken during the five year period commencing 2019/20.

The Authority received the key Specific Actions for the forthcoming year.

The Chair congratulated the team on the list of activities undertaken during the last year and reminded members of the Official Opening of Fire Control would take place following the meeting.

One Member enquired about the official opening of Coventry Fire Station following the recent leak at the new station.

The Treasurer confirmed that the contractors had been back on site following the leak and they had been repairing the roof and making good any internal damage.

The Chair stated that a date had not been set for an official opening but Members would be notified as soon as this had been arranged. The station is operational.

The Authority noted that the work on the training facility was behind scheduled due to ongoing discussions with Warkwickshire Fire and Rescue Service.

**Resolved** that the 2019/20 Property Asset Management Plan be approved.

#### 10/19 **The Plan 2019 – 2022**

The Authority considered the revised Outcomes, which the Vision statement and Priorities of The Plan for 2019-2022 which are derived from the Integrated Risk Management Plan (IRMP). The changes were designed to enable the Service to sufficiently respond and react to the increasingly changing internal and external environment.

The Plan is a rolling 3 year corporate strategy, designed to enable detailed planning for the first year and broader planning setting out aspirations for a further 2 years.

As part of the Service's Strategic Planning Framework The Plan is reviewed annually and the IRMP sets out in detail the risk based analysis that has informed the recommendation.

The response, prevention and protection outcome statements had been amended to recognise the strategic intent of both current and future transformation of services, through working with partners including the WMCA and public reform agenda as well as consideration of digital innovation, workforce reform and development.

The potential additional burdens to Fire and Rescue Services, as a result of the recommendations of the independent review of building regulations of fire safety following the Grenfell Tower incident have been considered.

The changes proposed through the Strategy Option Fire Authority report, priority and outcome statements reflect the need for the CFO to deliver The Plan through flexible, risk-based management of resources on a daily basis to enable a balanced budget.

The Digital and Innovation supporting priority statement and its outcomes have been reviewed the reflect the significance of digitally enabling the delivery of all priorities within the Plan.

The ability to provide the appropriate information to our mobile workforce and the need for secure exchange of data remain in place and the supporting statement has been bolstered by amendments reflecting the importance of embedding a digital culture as well as a focus on research and development.

The proposed priorities and outcomes 2019-2022 were set out in the report. The Plan will be available electronically.

In response to a Members enquiry, it was confirmed that the dynamic approach and the impact of the Safe and Well visit would be evaluated and considered by the Quarterly Performance Framework and Scrutiny Committee and Members of the Authority attend both meetings.

Although the impact of the changes on the safety of the community would be difficult to monitor, they would be monitored for immediate or long term effects.

**Resolved** that the amendments to the Priorities and Outcomes of the Plan 2019-2022 as now submitted be approved.



## 11/19 **Monitoring of Finances**

The Authority noted the Monitoring of Finances report up to and including January 2019, which included revenue expenditure and the capital programme. The assumption had been updated as part of the preparation process for the 2019/20 budget.

The Authority's 2018/19 Council Tax requirement is £41.305 million and the revenue budget is £96.608m. The current year's budget has been revised and reflects an estimated transfer from general balances of £1.5m. The actual spend to January 2019, including commitments, was £80.584 million compared to a projected budget of £80.632m, an overall favourable variance of £0.048m.

The Authority's approved capital programme for 2018/19 is £13.548million. Expenditure to the end of January 2019 is shown as £8.168million.

The main forecast variances within the capital programme relates to:

- Aston Fire Station where there has been a delay to construction to enable the re-siting of communication lines
- Vehicle Replacement Programme – delayed purchase of ancillary vehicles (command support vehicle, Detection Identification and Monitoring vehicle and Welfare Pod) pending the outcome of a review and slippage of final stage builds of 7 PRL's to 2019/20.

## 12/19 **Pay Policy Statement 2019-20**

Approval was sought to the Pay Policy Statement for the 2019/20 financial year setting out the Authority's policies relating to the remuneration of its Chief Officers.

The Deputy Chief Fire Officer confirmed that the Pay Policy Statement 2019/20 complied with Section 38 (1) of The Localism Act 2011 and would be available on the Internet.

The Pay Policy Statement and Appendices set out the pay of all employees, pension arrangements and confirms the Authority's commitments as a Living Wage Employer.

There were no changes of substance to the Pay Policy Statement 2018/19.

**Resolved** that the Pay Policy Statement for the financial year 2018/19 as now submitted be approved.

13/19 **Arrangements to Act in Matters of Emergency – Laying of the Statutory Order for Transfer of Governance**

The Authority noted the decision made under the above provisions set out within the Authority's constitution, to advise local authorities not to proceed with the layering of the statutory Order for transfer of governance.

The decision taken by the CFO and the Chair of the Authority following the amendments made to the draft statutory Order by the Joint Committee for Statutory Instruments (JCSI) was noted.

On 10 January 2019, advice was provided by the CFO to local authority Chief Executives not to proceed with the laying of the statutory Order to transfer governance of West Midlands Fire Service to the West Midlands Combined Authority (WMCA).

The Order was due to be laid on the 14 January 2019. The amendments were received on the 9 January 2019 and consent was required by 10 January 2019 at 1430 hours.

On review of the JCSI amended Order, it was apparent that changes had been made to Section 1 and Section 7 of the Order, Chief Fire Officer Functions.

The amendments changed the 'CFO Functions' to 'delegated functions' on the choice of the Mayor, further compromising the locally agreed key ask and removing clarity on the independence of the role.

The decision was taken aligned to the Authority's Standing Orders, part 3, item 17, Arrangements to Act in Matters of Emergency Section 2.

There was insufficient time for the Combined Authority to understand the outcomes, and each of the local authority and WMCA Chief Executives agreed to the course of action and the

Clerk confirmed this decision to the Home Office on the 10 January 2019 and hence the process was paused.

A Member expressed his disappointment with the position the Authority found itself, but agreed with the approach taken by the Authority and local leaders. He hoped that the government would look again at the legislation rather than the triple locks locally.

#### 14/19 **Route to Mayoral Governance Update**

The Authority noted the progress of discussions with the Chair, Mayor, CFO and WMCA regarding the route to Mayoral Governance.

The pause created in the governance process was a result of the amendments made to the draft Order at the Joint Committee for Statutory Instruments. The amendments focused on the delegation of the accountability of the CFO and removed the absolute assurance that these would be delegated by the Mayor. This resulted in concern that the operational and organisation independence of the CFO could be compromised.

Therefore local safeguards were considered to replace the specific provisions removed from the Order, the accountability of the CFO as defined in the draft Order, must be delegated by the Mayor to the CFO. The local safeguards will form clauses contained in the WMCA Constitution. The Chair, CFO and Mayor have re-affirmed their commitment to the governance transfer to the WMCA.

WMCA Officers have proposed five distinct areas to the CFO which were to be considered by both WMCA and WMFS officers.

The proposed constitutional clauses as developed and as submitted to the Authority, will be submitted to the WMCA board for approval on the 22 March 2019.

Progression on the proposals will be subject to more formal and detailed drafting for review prior to the 22 March 2019 and an understanding that the CFO would need to be assured around the detail.

The timeline assumed that constitution proposals could be developed and agreed with the CFO, prior to engagement and recommendation at WMCA.

- WMFRA Policy Planning Forum 4 February 2019
- WMCA Board update – 8 February 2019 – urgent business item
- WMFRA meeting update 18 February 2019
- WMCA agree constitution changes 22 March 2019

Authority Leaders will need to consider whether the changes to the Order and the developed proposals would require further consideration by their Authority decision-making processes.

The Chair stated the surest way of getting certainly is in the Order and enshrined in legislative process and Members would want to be assured. The changes would be considered by the Combined Authority on 22 March 2019.

It was recommended that Section 41 Members talk with their Leaders and make sure that their Councils were happy with the five proposed Constitutional clauses and they were adequate the robust. If not, the Authority would be required to refer back to the Home Office JCSI to see if they would change.

It was noted that the CFO must be the Officer who has the skills experience and operational independence to develop and implement the IRMP as defined by the National Fire and Rescue Framework.

15/19 **Notes of the Policy Planning Forum held on 5 November 2018**

The Notes of the Policy Planning Forum held on 5 November 2018 were received.

16/19 **Notes of Joint Consultative Panel held on 5 November 2018**

The Notes of the Joint Consultative Panel held on 5 November 2018 were received.

Councillor Brackenridge asked for an update on Minute No13/18 Update on Cultural Review of the Notes of the Joint Consultative Panel.

Sarah Warnes stated that following the last meeting of the Joint Consultative Panel held on 4 February 2019, further discussions had taken place in respect of the Terms of Reference being sent out to organisations with regards to the procurement of the cultural review. The wording had been agreed and the contract was now out to tender. The timeframes to seek to achieve the selection of an appropriate organisation to deliver the Cultural Review by the end of June were in place.

**17/19 Minutes of the Audit and Risk Committee held on 12 November 2018**

The minutes of the Audit and Risk Committee held on 12 November 2018 were received.

**18/19 Minutes of the Governance and Transformation Committee held on 12 November 2018**

The minutes of the Governance and Transformation Committee held on 12 November 2018 were received.

**19/19 Minutes of the Scrutiny Committee held on 14 November 2018**

The Minutes of the Scrutiny Committee held on 14 November 2018 were received.

Councillor Spence thanked officers for their great work and support given to the Scrutiny Committee.

**20/19 Notes of the Policy Planning Forum held on 10 December 2019**

The notes of the Policy Planning Forum held on 10 December 2018 were received.

21/19 **Minutes of the Governance and Transformation Committee held on 10 December 2018**

The minutes of the Governance and Transformation Committee held on 10 December 2018 were received.

22/19 **Minutes of the Audit and Risk Committee held on 14 January 2019**

The minutes of the Audit and Risk Committee held on 14 January 2019 were noted.

23/19 **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 Section 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).

24/19 **Planned Procurement Exercise for 2019/20**

The Authority received a report for approval of the tender exercise for the provision of various works, goods and services to West Midlands Fire and Rescue Authority during 2019/20 for:

- Uniform
- Liquid Fuels (Derv)
- Childcare Voucher Scheme
- Energy
- National Frameworks
- Tyres
- Electrical Rewires
- Enterprise Resource Planning System
- Active Lan Hardware
- Windows and Doors

The insurance arrangements were also due for renewal in October 2019 and a further report would be presented to the Fire Authority at its meeting scheduled on 8 April 2019.

**Resolved** that the tender exercises for the provision of various works, goods and services to West Midlands Fire and Rescue Authority during 2019/20 be approved.

The meeting closed at 1237 hours.

Julie Connor Strategic Hub 0121 380 6906 Julie.Connor@wmfs.net
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