

Minutes of the West Midlands Fire and Rescue Authority

**18 September 2017 at 1100 hours at
Fire Service Headquarters, Vauxhall Road, Birmingham**

Present: Councillor John Edwards (Chair)
Councillor Mohammed Idrees (Vice Chair);
Councillors Allcock, Barrie, Booth, Brackenridge,
Cartwright, Clinton, Craddock, Davis, Douglas-Maul,
Eustace, Hogarth, Male, Miks, Sealey, T. Singh, P
Singh, Spence, Tranter, Williams and Young

73/17 Apologies for Absence

Apologies were received from Councillors Aston, Atwal Singh, Barlow, Mottram and Walsh. Apologies were also received from the Chief Fire Officer.

74/17 Declarations of Interest in contracts or other matters

Councillor Edwards and Brackenridge declared a non-pecuniary interest in Minute No. 80/17 below (Monitoring of Finances).

76/17 Chair's Announcements

An electronic link to a Combined Authority report, setting out the progress that had been made towards Mayoral Governance, had been circulated to Members of the Authority. The report received unanimous approval by the Combined Authority at the meeting held on the 8 September 2017 and the Authority will now move to the next stage of the governance

review and preparation of the Scheme. The report will now be presented at the seven Metropolitan District Council meetings over the next few months.

The Combined Authority Scrutiny Committee had “called-in” the report and the Clerk and Chair to the Authority had attended a meeting to talk through the governance arrangements. The Scrutiny Committee had also expressed a wider interest in the governance of Transportation and Police and a Task and Finish Group would be set up to look at governance.

The Authority would continue to co-operate with the Scrutiny Committee of the Combined Authority.

A report would be presented to the Authority at its meeting scheduled for 20 November 2017 to provide an update of the position in respect of the Monitoring Officer as this was still be negotiated.

The Deputy Chief Fire Officer (DCFO) informed the Authority that the Emergency Services Show would be taking place at the National Exhibition Centre on Wednesday and Thursday, 20/21 September 2017. The Trade Show was also focussing on health and a West Midlands Fire Service Stand would be at the Show to promote its work in the Sector and its digital journey.

Members were invited to attend the public show which was free to attend and open all day. Further information was available from the DCFO.

77/17 Minutes of the Fire Authority AGM held on 26 June 2017

Resolved that the minutes of the Annual General Meeting held on 26 June 2017, be confirmed as a correct record.

78/17 **Audit Findings Report 2016/17**

The Authority noted the Audit Findings Report (AFR) 2016/17. Emily Maine, Senior Manager, Grant Thornton presented the AFR which had been presented to the Audit Committee at its meeting on the 24 July 2017. The AFR sets out and reports on the key messages arising from the external audit work undertaken during the year. The AFR is designed to support the Auditor's opinions and is a requirement of the Code of Audit Practice.

The Auditor indicated that the AFR was a very good report. Following the Audit Committee the Auditor issued an unqualified opinion on the Authority's 2016/17 financial statement included in the Authority's Statement of Accounts.

The Auditor was required to provide a Value for Money conclusion following the National Audit Office's Auditor Guidance Note 3 (AGN 03) following the criterion for auditors to evaluate

"In all significant aspects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".

As a consequence of this work the Auditor concluded that for 2016/17 the Authority had proper arrangements in all significant aspects to secure economy, efficiency and effectiveness and to ensure it delivers value for money in its use of resources and gave a clean and unqualified Value for Money conclusion.

There were three main themes for members to be aware of:

1. The Government had set a shorter deadline for 2017/18 for the Auditor to provide an Opinion bringing it forward to 21 July 2018 from 30 September 2018.

The Auditor stated that the Authority had done extremely well and the Treasurer and Deputy Treasurer had provided an excellent set of accounts and had met the deadline a

year ahead of schedule which was a large achievement and were ahead of other Authorities.

2. The financial challenge being faced by local government and delivering against a medium term financial strategy. The Authority would need to keep an eye on this, in particular, in respect of partnership working and changing governance arrangements on the value for money side.
3. The Auditor would also be looking for Value for Money in the areas of public safety and collaboration and were aware of the work being undertaken in the private health and third sectors.

The Auditor would keep a watching brief on the Mayoral Governance Report to the Combined Authority.

One Member congratulated Mike Griffiths and his team on the report and stated in Ofsted terms the Authority would be rated as Outstanding. The Chair concurred with this view and although not unusual, as it occurred each year, was a good reflection on Mike Griffiths and Kal Shoker and the financial team who delivered excellent results in difficult financial times. The Chair thanked the Treasurer and External Auditors for their work.

79/17 **Statement of Accounts 2016/17**

The Authority noted the Statement of Accounts 2016/17 and summary of the Statement of Accounts. The Treasurer confirmed that the Statement of Accounts had been reviewed by the Audit Committee who had also met in a separate workshop to discuss the accounts in detail. The Auditor, on behalf of Grant Thornton, thanked the Treasurer for the excellent quality of work produced on the statement of accounts and the very good working relationship with the team.

The Treasurer stated that there had not be any long term borrowing in the last financial year. In the 2016/17 accounts, there was approximately £37m for long term borrowing and this related to borrowing undertaken in previous years, predominantly for land and property. Fixed assets for buildings and vehicles were valued in the Balance Sheet at £146 million.

General balances had increased by £0.003 million to £9.236 million.

The accounts showed a net cost of service in 2016/17 of £107.2 million including an appropriation to earmarked reserves of £3.569 million which totalled £43.734 million at the end of the financial year.

It was explained that the Authority no longer receives capital funding and approximately 75% of the earmarked reserves related to capital expenditure and insurance operations.

A summary list of earmarked reserves was set out in the Statement of Accounts.

A summary of the Statement of Accounts 2016-17 was also provided.

In response to a Member's question regarding the Balance Sheet, the Treasurer explained that the values were set out in a way to comply with accounting arrangements. The figures included the arrangements to pay for the Firefighters Pension Scheme and the accounts took into account the potential obligations that would be placed on the Authority if all firefighters chose to retire at the same time. The accounting procedures require the scale of value/figures to be shown but to some extent this distorts the accounts.

In respect to a Member's enquiry about the protection of balances and the possible transfer of the Authority's balances to the Mayor following the move to Mayoral Governance, the Treasurer confirmed that until the detail and arrangements are more understood, the principle going forward will be that the funds of the Fire Service will remain isolated and therefore any reserves would remain as part of the Fire Authority. The Treasurer wasn't aware of detailed discussions on the reserves, but felt the principle would remain the same and thought it reasonable to assume that the Fire Authority's earmarked reserves would continue to be invested in the Fire Service.

The Clerk agreed with the Treasurer, but confirmed that the Authority would be asking the Combined Authority about this.

It was confirmed that the ownership of properties would rest with the Combined Authority and the Mayor will be able to exercise his discretion but the Authority would monitor developments.

The Chair stated that the move to Mayoral governance would be a long process and could take 18 months or more. A substantial amount of the reserves will have been spent or committed by this time on the rebuild of Coventry Fire Station, the refurbishment of Aston Fire Station, the Vehicle Replacement Programme etc.

The assets and liabilities will pass to the Combined Authority, but in the absence of capital funding the Combined Authority will need to ensure that a capital programme is in place and the Fire Authority will argue that it needs the reserves.

The Chair informed the Authority that the new Fire Minister Nick Hurd, MP had met a couple of Fire Authorities and he had recommended that those Authorities should spend their reserves to meet Service pressures.

80/17 **Monitoring of Finances**

The Authority noted the Monitoring of Finances. Appendix A showed the current position of the Revenue Budget and a favourable variance of £208,000. The Treasurer referred Members to the Corporate Budgets and, in particular Business Development, one of the areas of the efficiency plan set to raise £2m through flexible funding. For 2017/18 the income level was set at £1m, but the figures as the end of August indicated that the Service is not achieving the level of income hoped for. The Chief Fire Officer had confirmed at a recent Policy Planning Forum that this area was not on target, but remains part of the efficiency plan and the Service is committed to this over the lifetime of the plan.

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

The scheme analysis shown at Appendix C indicated the Capital Programme for 2017/18 was initially set at £14.223 million. Expenditure to the end of August 2017 was shown as £1.163 million. The main forecast variances with the Capital Programme related to the Aston and Coventry Fire Stations and the Vehicle Replacement Plan. Equivalent funding will be moved to 2018/19 as part of the budget process and closedown of accounts.

In response to a Member's question about the variation of £6.2 million the Treasurer confirmed that the overall budget was originally £14.2m, but the spend forecast had been reduced this year because of the delays with the Heritage Listing complications of Aston Fire Station, hidden asbestos being found at Coventry Fire Station and delays to replace some vehicles in the Vehicle Replacement Programme until the following year. As a result, the Capital Programme expenditure had been reduced to approximately £8m in the current year. Earmarked reserve funding will be adjusted and spent over the following year.

81/17 Contract Awards Summary for Period to 30 September 2017

The Authority noted the contract Awards Summary for the period to 30 September 2017 that summarised the contracts in excess of £25,000 that have been awarded since 1 April 2017.

The contract in respect of smoke alarms was a National Framework Agreement for Smoke Alarm and Associated Products from which the Authority and other fire services would benefit and would produce a possible saving of £0.5m across the national fire service.

The disposal of the Academy was shown as a capital receipt as the cash had been transferred in April 2017.

82/17 Result of Recent Fire Safety Prosecutions

The Authority noted a report of a prosecution under the Regulatory Reform (Fire Safety) Order 2005.

The Service attended a fire on the 2 July 2015 at

2A Messenger Road, Smethwick, during which two people were rescued, one by ladder from the first floor. This was a convenience store with four flats above and a shared kitchen. As there had been a breach of the Fire Safety Order the Authority prosecuted the responsible person, who pleaded guilty and was sentenced to four months' imprisonment suspended for 18 months and was fined £25,000 and ordered to pay all prosecution costs which totalled £10,130.

83/17 Minutes of the Audit Committee held on 24 July 2017

The minutes of the Audit Committee held on 24 July 2017 were received.

84/17 Minutes of the Executive Committee held on 7 August 2017

The minutes of the Executive Committee held on 7 August 2017 were received.

85/17 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).

86/17 Planned Procurement Exercise for 2017/18

The Authority received a report for approval of the tender exercises for the provision of various works, good and services to West Midlands Fire and Rescue Authority during 2017/18 for:

1. Integrated Communication Control System
2. National Framework for Gas Monitors
3. Car Leasing Scheme

The Integrated Communication Control System will provide new radio systems across Fire Services and would be grant funded by the Home Office.

A framework agreement for the provision of gas monitors would be set up so that other Fire and Rescue Services and Ambulance Services could access the contract.

The car leasing scheme would provide a potential benefit to staff, at nil direct cost to the Fire Authority. Staff would be able to access the scheme if they choose through a salary reduction.

Resolved that the tender exercise for the provision of various works, goods and services to West Midlands Fire and Rescue Authority during 2016/17 be approved.

87/17 **West Midlands Fire Service Band**

It was agreed that details of the Annual Band Concert would be circulated to all Members of the Authority. Tickets would be available from Alison Newis in the Corporate Communications Department. Councillors Davis and Hogarth had attended the Band Concert in June 2017 where a Welsh Male Voice Choir had also performed. This was a superb concert with quality musicianship and provided an enjoyable evening. It was noted that the Band had also performed at the Memorial Service in London on the 10 September 2017.

The meeting closed at 1250 hours.

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