



# **HEREFORD & WORCESTER Fire Authority**

**Full Authority**

## **AGENDA**

**Thursday, 14 December 2017**

**10:30**

**Conference Suites**

**Headquarters, 2 Kings Court, Charles Hastings Way,  
Worcester, WR5 1JR**

## **ACTION ON DISCOVERING A FIRE**

- 1 Break the glass at the nearest **FIRE ALARM POINT**.  
(This will alert Control and other Personnel)
- 2 Tackle the fire with the appliances available – **IF SAFE TO DO SO**.
- 3 Proceed to the Assembly Point for a Roll Call –

**CAR PARK OF THE OFFICE BUILDING ADJACENT TO THE CYCLE SHED TO THE LEFT OF THE ENTRANCE BARRIER TO 2 KINGS COURT.**

- 4 Never re-enter the building – **GET OUT STAY OUT**.

## **ACTION ON HEARING THE ALARM**

- 1 Proceed immediately to the Assembly Point

**CAR PARK OF THE OFFICE BUILDING ADJACENT TO THE CYCLE SHED TO THE LEFT OF THE ENTRANCE BARRIER TO 2 KINGS COURT.**

- 2 Close all doors en route. The senior person present will ensure all personnel have left the room.
- 3 Never re-enter the building – **GET OUT STAY OUT**.

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**WELCOME AND GUIDE TO TODAY’S MEETING.** These notes are written to assist you to follow the meeting. Decisions at the meeting will be taken by the **Councillors** who are democratically elected representatives and they will be advised by **Officers** who are paid professionals. The Fire and Rescue Authority comprises 25 Councillors and appoints committees to undertake various functions on behalf of the Authority. There are 19 Worcestershire County Councillors on the Authority and 6 Herefordshire Council Councillors.

**Agenda Papers** - Attached is the Agenda which is a summary of the issues to be discussed and the related reports by Officers.

**Chairman** - The Chairman, who is responsible for the proper conduct of the meeting, sits at the head of the table.

**Officers** - Accompanying the Chairman is the Chief Fire Officer and other Officers of the Fire and Rescue Authority who will advise on legal and procedural matters and record the proceedings. These include the Clerk and the Treasurer to the Authority.

**The Business** - The Chairman will conduct the business of the meeting. The items listed on the agenda will be discussed.

**Decisions** - At the end of the discussion on each item the Chairman will put any amendments or motions to the meeting and then ask the Councillors to vote. The Officers do not have a vote.



HEREFORD & WORCESTER  
**HWFR**  
FIRE AND RESCUE SERVICE

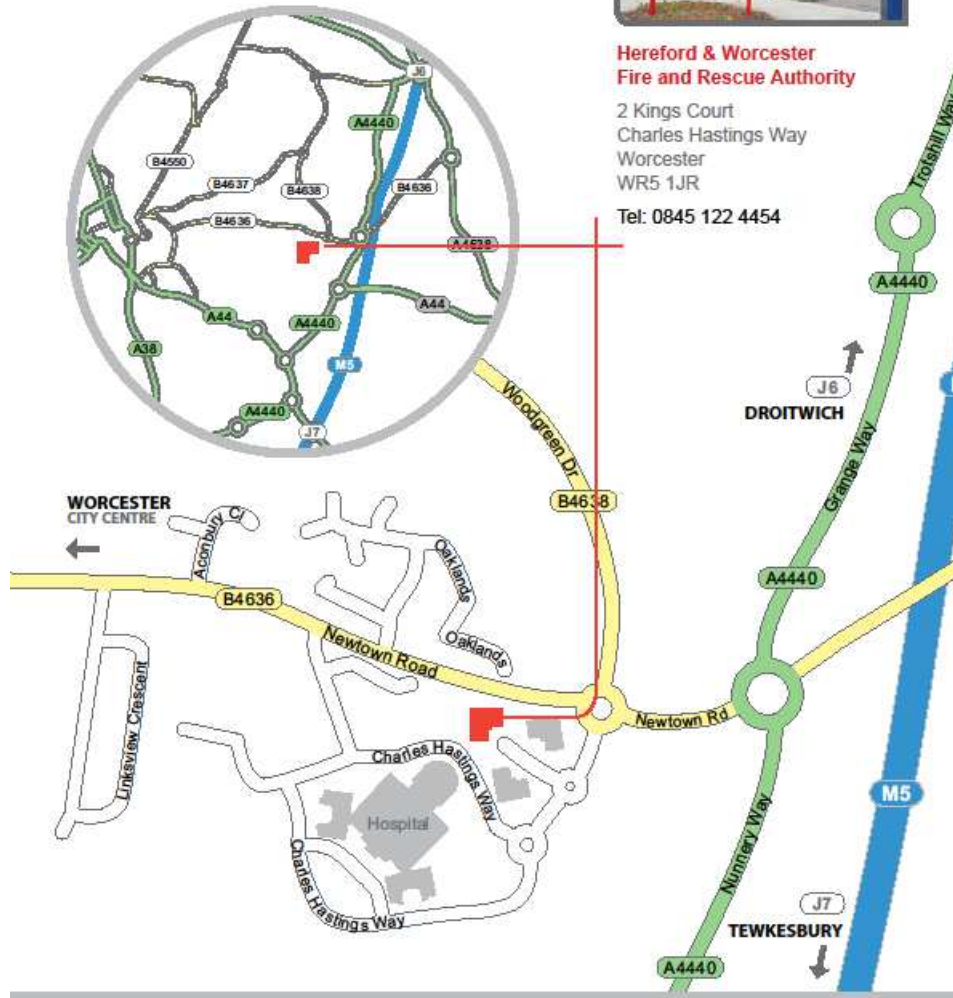
## Service Headquarters



### Hereford & Worcester Fire and Rescue Authority

2 Kings Court  
Charles Hastings Way  
Worcester  
WR5 1JR

Tel: 0845 122 4454





# Hereford & Worcester Fire Authority

## Full Authority

Thursday, 14 December 2017, 10:30

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### Agenda

#### Councillors

Mr R J Phillips (Chairman), Mr P A Tuthill (Vice Chairman), Mr R C Adams, Ms P Agar, Mr A Amos, Mr B A Baker, Mr T D Baker-Price, Mr B Clayton, Mrs E Eyre BEM, Mr A Fry, Ms K S Guthrie, Mr I D Hardiman, Mr Al Hardman, Mr M Hart, Dr C A Hotham, Mr J L V Kenyon, Mr R I Matthews, Mr P Middlebrough, Mrs F M Oborski MBE, Dr K Pollock, Mrs J Potter, Professor J W Raine, Mr C B Taylor, Mr R M Udall, Mr S D Williams

No.	Item	Pages
1	<b>Apologies for Absence</b> To receive any apologies for absence.	
2	<b>Declarations of Interest (if any)</b> This item allows the Chairman to invite any Councillor to declare an interest in any of the items on this Agenda.	
3	<b>Confirmation of Minutes</b> To confirm the minutes of the meeting held on 4 September 2017.	8 - 11
4	<b>Chairman's Announcements</b> To update Members on recent activities.	

## **5 Public Participation**

To allow a Member of the public to present a petition, ask a question or make a statement relating to any topic concerning the duties and powers of the Authority.

Members of the public wishing to take part should notify the Head of Legal Services in writing or by email indicating both the nature and content of their proposed participation to be received no later than 2 clear working days before the meeting (in this case 11 December 2017). Further details about public participation are available on the website. Enquiries can also be made through the telephone numbers/email listed below.

## **6 PCC Business Case**

**12 - 27**

The Chairman will provide members with a verbal update.

A copy of the further report from Ameo Alendi Consulting, as requested by the Leaders of the constituent authorities and authorised by Policy & Resources Committee, is attached.

## **7 Revision to Medium Term Financial Plan**

**28 - 32**

To review the current Medium Term Financial Plan.

## **8 Principal Officer Temporary Structure Proposal**

**33 - 36**

In the light of the retirement of the current Deputy Chief Fire Officer (DCFO) in July next year - and the formal submission to government of the Police & Crime Commissioner's (PCC) full business case for taking over governance of the two Fire & Rescue Services in the West Mercian area - this paper provides the Fire Authority with a recommended approach to effectively maintain the Service's Principal Officer function over a 12-18 month period, whilst minimising both the organisational and operational risks to the Fire Authority.

## **9 Houses of Multiple Occupation: Project Update**

**37 - 42**

Provides a twelve month update on the Houses of Multiple Occupation project being delivered by the Community Risk Department.

## **10 Chief Fire Officer's Report**

The Chief Fire Officer will give a presentation on the following matters:

- Service Exercise Assemble at Sennybridge
- National BA Challenge 2017
- Annual Award Ceremonies 2017
- Dementia Pledge
- Saving More Lives Update
- Wholetime Recruitment.

## **11 Minutes of the Audit and Standards Committee**

**43 - 49**

To receive the minutes of the meeting held on 6 September 2017.

## **12 Minutes of the Policy and Resources Committee**

**50 - 60**

To receive the minutes of the meetings held on 20 September 2017 and 22 November 2017.

## **13 Minutes of the Appointments Committee**

**61 - 62**

To receive the minutes of the meeting held on 22 November 2017.

### **Members' Seminar**

Following the close of the meeting there will be a Members' Seminar on Community Fire Safety.



Hereford & Worcester Fire Authority

Full Authority

Monday, 04 September 2017, 11:00

## Minutes

**Members Present:** Mr R C Adams, Ms P Agar, Mr A Amos, Mr T D Baker-Price, Mr B Clayton, Mrs E Eyre BEM, Mr A Fry, Ms K S Guthrie, Mr I D Hardiman, Mr Al Hardman, Mr M Hart, Dr C A Hotham, Mr J L V Kenyon, Mr P Middlebrough, Mrs F M Oborski MBE, Mr R J Phillips, Dr K Pollock, Professor J W Raine, Mr C B Taylor, Mr P A Tuthill, Mr R M Udall

### Substitutes:

### Absent:

**Apologies for Absence:** Mr B A Baker, Mr R I Matthews, Mrs J Potter, Mr S D Williams

#### 146 Declarations of Interest (if any)

No interests were declared by any Members.

#### 147 Confirmation of Minutes

**RESOLVED** that the minutes of the meeting of the Fire Authority held on 27 June 2017 be confirmed as a correct record and signed by the Chairman.

#### 148 Chairman's Announcements

The Chairman announced that:

- an itinerary for the Service Exercise on 16 September 2017 had been circulated to Members who had confirmed their attendance and Members were reminded to advise Committee Services from which location they required transport;
- all Members were invited to the Dying to Drive road safety event at



Worcester Fire Station on 27 September;

- drop in events would take place on 6<sup>th</sup> September and 20<sup>th</sup> September for any Members interested in using the myCMIS app on their mobile devices; and
- the full Authority meeting scheduled for 11 October 2017 had been cancelled.

## **149 Public Participation**

There was no participation by members of the public.

## **150 Analysis of West Mercia Police and Crime Commissioner Initial Business Case**

The Chairman explained that the West Mercia PCC recently published his initial business case for taking on the role of governance of Shropshire & Wrekin and Hereford & Worcester fire and rescue services. In response, the leaders of the constituent authorities requested both fire authorities to commission an independent analysis of the PCC's initial business case in order to support their ability to respond to the PCC's consultation, which was due to end on 11 September 2017.

The Chairman introduced Mike Dearing and John Bonney from Ameo Alendi Consulting who had been commissioned to undertake the independent analysis of the PCC's initial business case. Mr Bonney explained that the independent analysis aimed to:

- examine the relevant financial and organisational information in relation to the business case;
- verify the facts, current positions and intentions through interviews and research; and
- provide a view on the PCC's proposals and alternative options.

Mr Bonney gave an overview and assessment of the governance options that had been identified in the initial business case and highlighted that there had been no examination of the representation model by the PCC, which could be seen as a missed opportunity as a number of other authorities were examining this model and developing innovative approaches.

As the business case put forward by the PCC had adopted the Treasury's "five case" model, Mr Dearing and Mr Bonney had adopted the same structure (including a sixth section around implementation) for their

analysis which incorporated the following elements:

1. Strategic
2. Economic
3. Commercial
4. Finance
5. Management and Implementation

Mr Dearing and Mr Bonney informed the meeting of their findings in each of the areas set out above, which included:

- a lack of clarity in the business case as to how corporate decision making in a command alliance would work in practice;
- little explanation in terms of how the proposed efficiencies achieved by ICT provision and information sharing would materialise across the three organisations;
- a focus on community fire safety in the business case which was interpreted to align closely with the police role in community safety. However, in reality the police and fire community safety roles were significantly different with the police focussing on crime prevention whereas the driver for fire was to reduce the vulnerabilities that can lead to fire risk;
- a lack of detailed financial information to underpin the key financial elements of the business case, the only information available by the PCC's Office were some overarching assumptions which had been overlaid with existing cost structures; and
- an apparent lack of understanding that many so-called "enabling services" including senior managers and training functions were carried out by staff who also had operational responsibilities. The inclusion of such roles within any proposed savings would therefore also reduce operational frontline staff.

Mr Bonney then explained the possible opportunities and options for the Authority, which included:

- closer examination of collaboration between local fire and rescue services;
- a regional Integrated Risk Management Plan (IRMP);
- potential reduction in the size of local fire authorities; and
- a combined fire alliance to provide a single voice for fire and rescue at a regional level.

Members were given the opportunity to ask questions and during the ensuing discussions the following issues were raised:

- the proposals in the PCC's business case could reduce local representation;
- the Authority should take the opportunity to review its own governance arrangements and a locally agreed process for any

- future changes would be needed;
- the work to be undertaken by West Mercia Police on its alliance with Warwickshire Police had not yet been completed and any additional collaborative work with fire and rescue may drive up costs and reduce capacity;
- the Authority was already involved in a good deal of collaboration with partners, including the police;
- it was important for fire and rescue to remain a risk based service to ensure that demand did not increase.

Following suggested amendments by Members **it was RESOLVED that:**

***i) the report be submitted to the Leaders of Herefordshire Council and Worcestershire County Council in order to support their decision making process in responding to the consultation on the initial business case;***

***ii) the report forms the basis of the Fire Authority's response to the consultation on the initial business case; and***

***iii) the Chairman and Vice-chairman of the Authority enter into further discussions with Shropshire & Wrekin Fire Authority, the leaders of the four constituent authorities and the Police & Crime Commissioner to explore, and subject thereto Officers to bring back a further report on, implementation of the principles identified in the analysis report including:***

- ***reviewing the size and governance of the Fire Authority;***
- ***implementation of the 'representation model' (PCC as a voting member of the Fire Authority); and***
- ***creation of a joint board with Shropshire & Wrekin Fire Authority to oversee future collaboration.***

The Meeting ended at: 12:30

Signed:.....

Date:.....

Chairman

# ameo:



Consulting Ltd.

## **Assessment of West Mercia PCC Final Business Case**

**Version – Final 1.0**

**4<sup>th</sup> December 2017**

Authors:

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John Bonney, [john.bonney@alendiconsulting.com](mailto:john.bonney@alendiconsulting.com)

The content of this report is based upon information (interviews & documents) gathered in good faith from contacts within Hereford and Worcester Fire and Rescue, Shropshire Fire and Rescue and the Office of West Mercia PCC. Ameo / Alendi Consulting cannot guarantee the accuracy of this content and, therefore, accept no liability whatsoever for actions taken that subsequently prove incorrect.

## 1. Background

On 12th June 2017, the West Mercia Police and Crime Commissioner (WMPCC) submitted, for public consultation, an initial business case (IBC) for merging the governance, strategic and operational management of Hereford and Worcester and Shropshire Fire and Rescue Services into his jurisdiction. In response, the Hereford and Worcester and Shropshire and Wrekin Fire and Rescue Authorities (FRA's) commissioned Ameo and Alendi Consulting to undertake an independent analysis of the IBC. This assessment was reported to both the FRAs and their constituent authorities in order that they could formulate their respective submissions to the consultation. All of these authorities objected to the WMPCC's proposal for the adoption of the governance model. The consultation period ended on 11th September 2017, and on 12th October 2017, the WMPCC released a full business case (FBC), announcing his intention to submit this to the Secretary of State for approval.

This full business case continues to recommend the adoption of a joint governance model for the Fire and Rescue Services and Police in the West Mercia area. As such, the constituent authorities are eager that the FBC be re-examined independently so that they are best informed to submit their own views directly to the Home Office independent assessors and / or the Secretary of State.

In accordance with the Policing and Crime Act 2017, the Secretary of State is now required to assess the FBC independently because there were objections from the constituent authorities. Accordingly, she has commissioned the consultancy arm of CIPFA to do this work. CIPFA is required to examine the case on the basis of economy, efficiency, effectiveness and public safety, and to report its findings to the Secretary of State so that she may make a final decision. In order to do that, there is a general expectation that the assessor will engage with consultees, particularly the two FRA's and the four upper-tier authorities for the area. As well as the statutory tests of economy, efficiency, effectiveness and public safety, the Home Office is keen that particular attention be paid to the proposed savings and the transition costs in the FBC. Hence, the expectation is that the constituent authorities now have a further opportunity to comment on the proposal. As such, Alendi and Ameo have produced this report to examine the newly presented financial details in the report, the viability of the proposed savings, an assessment of the transition costs and any new evidence in the FBC so as to help the authorities inform their position on the proposal and any further submission.

The Home Office commissioned CIPFA on 20th November, and there is strong encouragement on them to complete their work expeditiously in order that the Secretary of State can give a prompt final decision. A minimum timescale of three weeks from acceptance of the commission is stated, although this maybe extended in certain circumstances. As such, this report has been produced to allow sufficient time for the authorities to consider its contents and engage with CIPFA in a full and informed manner.

Where appropriate, quotes have been included directly from the FBC and associated annexes to aid the reader in following the key points.

## 2. Introduction

The intention of this analysis is to focus on newly presented information and on assumptions made in the FBC. It is, however, clear that the main issues and arguments to support the adoption of the WMPCC governance model in the IBC have remained unaltered in the final business case.

And whereas the PCC states,

*“I am confident that I have addressed the Local Authorities' principal concerns within this full business case...”*

it appears that many of the issues of concern and risk raised in the consultation continue to be present and remain largely unaddressed. With this in mind, and without rehearsing the detail of our original report, it is worth listing the key ideas and assumptions first raised in the IBC and repeated in the FBC which we believe are challengeable.

These are:

- The lack of any specific examples to demonstrate that operational improvements will be made through better data sharing and shared governance.
- The failure to reference the collaboration requirements of the Civil Contingencies Act 2017 and Joint Emergency Services Interoperability Programme (JESIP) which already operates effectively in the West Mercia area and which involves police, ambulance, FRS and other category 1 responders.
- The lack of specific examples to illustrate where the current governance arrangements have hindered collaboration between police and fire.
- The narrow definition of public safety partnership and the limited appreciation of the key partnerships that health and social care agencies have with FRSs.
- The contention that greater democratic accountability, visibility and accessibility across all three services can be achieved by the PCC working with a limited increase in support and for “little extra work”.
- The belief that the identities of the two FRSs will be maintained whilst never reconciling this with the intention to create a single senior fire team overseen by unified governance.
- The assumption that the Police and Crime Panel can provide the necessary oversight of the WMPCC in his governance of all three bodies without any expansion of its remit.
- The misconception that, within fire and rescue services, 'support' roles have no frontline operational responsibility and their reduction will have no effect on service levels.
- The considerable premises-sharing programme which is already in train but which is counted as a financial benefit to be achieved under the new governance arrangements.

### 3. Overview of the FBC and Structure of this Report

The IBC sought to follow the structure of the Treasury's Five Case Model in the examination of future governance options, and there had been an expectation that this would have continued in the FBC. However, the FBC provides no assessment of the financial and public value dimensions of the alternative governance arrangements. As such, there are no comparators of the potential for economy, efficiency, effectiveness and public safety that might be derived from these alternative models. As we show below, in many areas, the potential for equal or greater financial benefit by a fire-fire only collaboration has not been fully explored as an alternative to the governance case.

In response to the consultation submissions from the FRA's, the PCC states,

*"A full business case will address concerns regarding economy and efficiency, and is the place to address in detail transition costs and provide a more detailed estimate of the potential savings together with a clear rationale of how they will be delivered."*

As such, the following sections of this report focus on the key elements of the full business case, including financial analysis, estimated savings and transition costs, as well as the viability of shared services across the West Mercia region and Warwickshire Police, and the practicalities of the governance arrangements. As the FBC now includes a risk register, we have commented on this and briefly reviewed the assumptions included in the report around the aftermath of the Grenfell Tower incident.

### 4. The Final Business Case

The use of the Five Case Model is good practice in public sector business cases, particularly where there is a significant change or investment. The different dimensions should provide evidence that each 'case' is made, typically through the robust comparison of four or more options. This enables different models, and their associated costs and risks, to be objectively considered; neither the OPCC's IBC or FBC do this. While the commentary and consultation response suggest the FBC will provide greater detail on the financial aspects (savings and investments), the reality is that there is limited additional detail. We find all the Economic, Financial and Management cases lacking in terms of evidence and detail. We summarise below our observations and considerations.

#### a. Economic Case

While reference is made to three different delivery options, these are not explored in any detail, to the extent that the other two referenced are essentially disregarded; there are no financials provided for anything other than the "recommended" option. This means the key purpose of the economic case - assessing public value - cannot be fulfilled. There are no comparator options: financial benefits that arguably apply to the other options are proposed as benefits only for the joint governance model (e.g. premises sharing, which is being delivered within the status quo). As such, the reviewer cannot make an

informed judgment that this is really any better than another option to realise benefits.

For ease of reference, our review of the economic case follows the six key savings areas proposed in the FBC. While the savings within the FBC have been broken down slightly from those found in the IBC, there is limited additional clarity as to their deliverability. Importantly, it is unclear whether these savings are really new and / or dependent on the proposed governance model. The charts below summarise the source of savings and allow the IBC and FBC to be readily cross referenced. It is worth noting that at least one third of the savings are being, or can be, delivered through the current arrangements; the other two thirds have limited evidence to assure their delivery. Hence, this potentially overstates the true benefits of a change in governance.

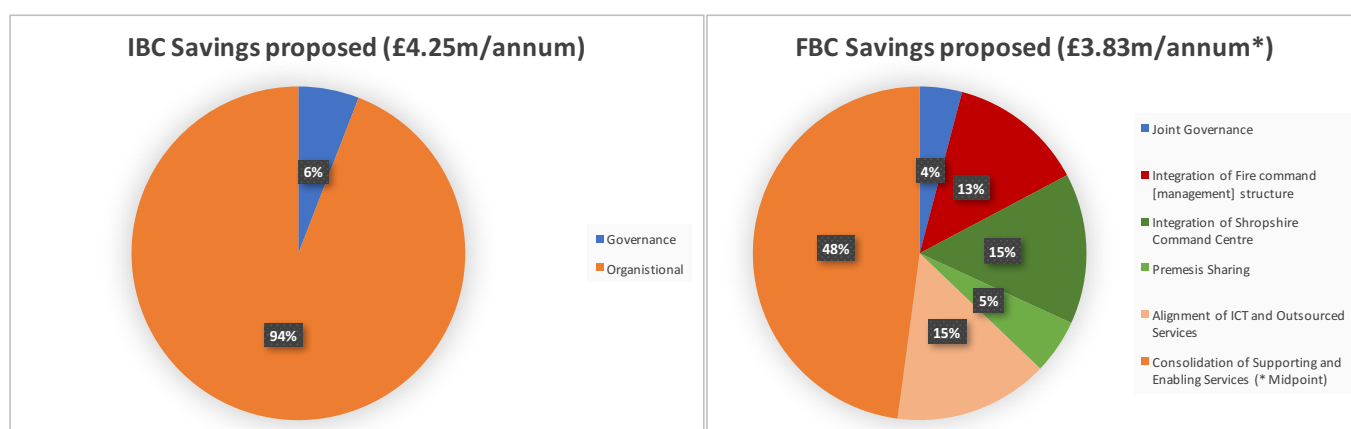


Figure 1 – Comparative analysis of savings proposed

# 1. Joint governance directly delivering both democratic accountability and lower cost

The savings associated with the concept of changing the governance model proposed in the IBC have been significantly reduced in the FBC. We consider this a prudent adjustment. However, we are still unable to reconcile the stated cost of current governance which is reiterated in the FBC (£577k). The proposed savings of £157k appear only to reflect the removal of the FRA members and their directly-associated costs. Given this, we are unable to understand the make-up of the remaining £420k.

We are puzzled by the stated assumption that the OPCC can deliver all the functions of the FRAs with no additional resource or additional payments. This suggests that no additional oversight or consultation capacity is required (we assume there must be additional underutilised capacity currently within the OPCC's team). This point also seems to contradict entry 7 in the risk register, which we refer to in section 5 below. Moreover, within the consultation responses (Appendix A, p53) there is an acknowledgement of the requirement for greater local engagement capacity.

*"the Commissioner is proposing a system whereby each top-tier local authority would be asked to nominate fire representatives. These Councillors would help inform and support the PCC in his work."*



From this, we assume a minimum of eight councillors would be required for the West Mercia footprint. Whilst the remit is unclear, we would assume they would be paid for this additional responsibility.

Given the OPCC is currently funded solely by the Police precept, we would anticipate that a recharge will need to be made to the respective fire funding streams. The OPCC costs or additional councillors' time are not included in the financial analysis. Were they to be, this would erode the minimal savings delivered from this change.

## 2. Integration of fire command structures while maintaining command resilience

Whilst the use of the term "command" is widespread in the FBC, it is our understanding that these command structure savings relate to a reduction in senior management posts. The specific posts to be removed have not been identified, but upon reviewing the structure charts for 2018 and 2021, it would appear that all heads of service in the two FRs are to be removed, with responsibilities transferred to pre-existing police heads of service within the Alliance.

As previously mentioned, stripping out support staff is likely to remove some operational capacity, and this does not appear to be reflected in the modelling. The proposed structure also appears to go against the premise that the two fire service identities will be maintained: there will be a single governance structure, single Chief Fire Officer and single management structure.

Given the lack of detail about the posts to be removed, and the savings being presented in a net form, it is unclear whether an allowance has been made for any salary increases for the enlarged management roles in the Alliance. It is likely that some roles would have responsibility for managing resources and requirements in four organisations, as opposed to the current arrangements where it may only be one. We believe it is important to ascertain whether the cost increases associated with pay uplifts have been factored into the savings profile.

## 3. Integration of Shropshire Fire Command Centre with the Operations Communications Centre shared by HWFRS, WMP and Warwickshire Police at Hindlip

HWFRS is in the process of preparing to move to the Police Operations Communications Centre at Hindlip. As previously reported, there is no evidence that this project has been hampered by the lack of shared governance between the two organisations. We also note that there will be no further financial savings being delivered as a result of this pre-existing transfer if governance arrangements were to change.

The FBC proposes the integration of the HWFRS Command Centre into the new facility. While this maybe viable, there are significant resilience implications for this that the FBC does not address. At present resilience arrangements operate between HWFRS , SFRS and Cleveland FRS in the event that there is service disruption at one of the control centres. Combining the two services' facilities therefore requires a re-examination of contingency arrangements, which we understand has not taken place. Clearly, this is an operational / technical

decision for the CFO's rather than the FRA, be that local members or the PCC.

With regard to the projected savings, it seems unlikely that these have accounted for any cost of establishing new fall-back arrangements, as currently the savings identified are comparable with the present cost of the SFRS command centre.

The report is unclear on how the savings would be distributed in relation to the proposed rationalisation. As HFRS and SFRS has historically provided command resilience for each other, and the service is not integrated with WMP, we assume the savings would be shared by the two fire services only.

#### 4. Alignment of ICT-enabled and outsourced transactional services with Police equivalents

The FBC now provides more explanation of the envisaged shared service arrangements. The case refers to the Cheshire Police multforce shared service facility (MFSS ) which operates with Nottinghamshire and Northamptonshire police and although it has ambitions to incorporate some services for Cheshire Fire this not yet occurred. From the FBC it is not clear whether this arrangement is seen as a model to replicate, or an opportunity from which to purchase services. The MFSS is a shared-service arrangement, with Cheshire police as the lead force and with Nottinghamshire and Northamptonshire as partners and Cap Gemini as the commercial systems integrator. It concentrates mainly transactional services, which means partners retain specialist and decisional resources in house. This tends to be a simpler solution, so cost savings are more limited. However, it secures less resilience for individual services in terms of access to specialist resources, as these remain in house. Nonetheless, it is more straightforward to deliver, particularly where transactions can be standardised.

It is not stated how many users operate on the MFSS, but the combined establishment of the three forces is 10,300, which is comparatively small and thus has an impact on transaction costs. A similar facility operating across West Mercia and Warwickshire would involve a maximum of 5,800 users, and therefore an enterprise with fewer economies of scale. While the MFSS may be a useful illustration, it does not represent a realistic comparator, as the MFSS is an all-police shared-service project that has aligned transactional work flows and process across the three forces. All services are expected to retain specialist business partners in house to deal with advice and non-standard issues. This would be substantially different from a combined police / fire operation, which would necessarily incorporate different industry requirements and provide more specialist and decisional services. It would also have to accommodate the added complexity of a high proportion of RDS staff. The on-call nature of these employees creates a number of challenges to shared-service facilities, which necessarily rely on self-service elements to reduce costs.

Certainly, this is the experience of Hampshire and Oxfordshire in the H3 project (which is much more akin to the proposed West Mercia model), where additional capacity has been added to meet the requirements of on-call staff with limited access and time to engage with the enterprise resource planning system (ERP). Experience here has shown that retaining posts to act as interface with RDS has proved important, both for quality of service and for operational requirements. The H3 model is a much larger enterprise, with closer to 40,000 users. However, it

services police, fire and local authority requirements, and as such, has dealt with the challenges which would face any system installed across West Mercia. The investment made in the system's design, testing, implementation, workflow rationalisation and on-boarding of partners was in excess of £10 million. The complexity and cost of a multi-industry, rather than force, shared service facility that services a high proportion of on-call staff is, therefore, considerable and will require substantial investment. We see no evidence of this being acknowledged in the FBC.

One of the weaknesses in the IBC was the true source of the savings. While the FBC does provide a little more detail, often this has not provided greater clarity. The exception to this is the outsourced shared services proposal. The investment / savings table in section 7 breaks down the outsourced services by police and fire. Interestingly, this highlights that there is significantly smaller benefit from outsourcing these services for fire partners, whereas for the comparable police services the saving is three times larger on a comparable investment. If this financial split is available for this savings / investment line, then we would assume it exists for others. We would consider this is a significant omission as it would enable variant options to be considered more effectively.

Whilst limited, the financial information provided validates how much leaner the FRS's back-office services currently are. We are uncertain as to whether any additional business partner resource has been assumed, as these posts do not exist in the current fire delivery model and are sourced externally. Given the small number of established posts, significant savings beyond management sharing (which is already accounted for) leaves both FRs at risk of damaging service delivery.

Notwithstanding the points above, the current cost / budget for these services to SFRS and HWFRS is actually less than the proposed saving (£225k current budget vs £269k saving). This presents a risk of increased budget pressure. Given this discrepancy, we would expect the analysis to likewise consider the respective savings in the wider supporting and enabling areas in order to manage risk.

#### 5. Increased inter-service collaboration, particularly through premises sharing

As referenced earlier, the services are already collaborating extensively on a range of initiatives, including premises sharing. There are a number of significant premises-sharing programmes in progress, such as those in Hereford and Redditch, as well as Hindlip and the Shropshire One Public Estate project which involves Telford, Whitchurch and Bridgnorth. The FBC does not identify any new sites where the potential for further sharing exists. This is important due to the different assets required for operational response between police and fire. As such, it is not clear where there are pressing operational requirements to share more facilities which would allow more savings than those already being pursued.

The PCCs consultation response states:

*"The full business case will also address transition and capital costs."*

However, the way capital assets and costs are treated has not been covered in the FBC, and this is relevant to the case of disposals. Given the different

requirements, fire are less likely to be able to dispose of property assets as part of any collaboration, and thus premises sharing would seem to be predominantly an opportunity for police rather than fire to benefit from savings. When considering the different operating models, this saving is applicable to any status quo and representation options that would be considered. As such, it should be removed from the benefits case for a change to the governance model unless a comparison is made with alternative options.

6. Consolidation and integration of all supporting and enabling services across the three organisations (and in conjunction with Warwickshire Police through the Police Alliance)

The IBC lacked any detail in relation to the savings being proposed beyond the aspirational figure of £4m. This sum was quoted with no evidence base other than a broad 25% redesign saving assumption. This was picked up by many within the consultation. The PCC's feedback was:

*"a full business case will address concerns regarding economy and efficiency...and provide a more detailed estimate of the potential savings".*

A lack of financial transparency persists in the FBC, in particular around this consolidation and integration project. The £4m saving quoted in the IBC was produced by assuming the total enabling and supporting budget to be c. £16m (a 25% saving). Given the FBC identifies some other savings, the respective budget is quite rightly reduced to c.£10m (note we have not been able to validate this value). To this revised assumed budget, a broad 25% redesign factor is again applied, which provides a new saving of £2.6m. This conveniently brings the total saving back to the aspirational of £4m. Given that no additional working papers have been provided, it has not been possible to validate the savings assumptions, so our previous comments apply as to their deliverability. Of particular concern here is the dual nature of some fire officers' roles, whose responsibilities include supervisory and command functions of operational staff even though their primary role is deemed to be "support". Furthermore, such a major consolidation and integration project will require substantial development and investment in ICT systems - a point which is inadequately covered in the financial assumptions or risk register.

From the indicative timescale, it would appear that this would run concurrently with the other major transformation projects around internal process re-engineering, workflow redesign and the strategic alliance. The foundation of all these projects would be the installation of a "public safety platform", from which many of the efficiency gains would be derived. By any measure, this is a highly ambitious approach with considerable complexity. However, there is little acknowledgement in the risk register of the scale and potential impact of these interrelated projects. Where there is reference to the risks, the suggested control measures are based purely around programme and project management. We would suggest this is insufficient, as the risk has substantial resource and capability implications that have not been fully reflected in the FBC.

In addition to understating the risk, there also appears to be a significant underplaying of the likely investments. There appears to be minimal investment in the ICT aspects of the transformation programme. Again, the net table makes it difficult to understand the costs, but it would appear that as little as £171k has

been set aside. From our experience, this is unlikely to cover much more than programme governance and management, let alone any new software implementation, development and change management.

## **b. Financial Case**

In table 1 page 45, the net costings for each of the major savings areas are presented. However, the investment required in each area is not clearly set out. All that is provided is a net position, which means affordability cannot be assessed with confidence - in particular how and where investment may be needed. Given the low level of spend on some services by the FRS's (especially where operational responsibilities are combined), there may be a risk of costs increasing due to the standardisation of enabling services. The investment in systems, processes and management support required for the larger police organisation may create additional financial and operational burdens for the smaller and more agile fire services.

There is no doubt that the different operational requirements would provide increased complexity to any common ICT platforms; we have seen examples where the outcome of this is an increased cost of service for some partners. Were this to apply in West Mercia, it would present a risk of cost increases on operational Fire Service budgets - a risk that is not recognised.

The IBC suggested that the transition would progress over three years. The investment lines and timeline within the FBC illustrate that the bulk of the change is now expected to occur over 17 months. Given the compressed delivery timeline, the expectation that natural wastage will be used to minimise redundancy / retirement costs appears optimistic. Further, the assumption that redundant posts will leave without incurring costs "higher than the average of Police Alliance creation" is questionable (noting no figures have been provided as a benchmark). Firstly, the staff losses appear to fall largely on fire in some areas (such as the command centre and management). Secondly, the wider reductions are due to the creation of a new Fire and Police Alliance where existing staff capabilities are less applicable, and as such, the opportunities for redeployment are likely to be significantly lower.

Limited detail has been provided around staff reductions, but our estimates would suggest that around 190 posts will be removed from the structure, many of which will be redundant posts as the functions will no longer exist. We have based this on 150 transactional / enabling / supporting roles, 18 SFRS Command Centre roles and 10 Heads of Service. Assuming an average salary of £25k across this profile, it is reasonable to assume an average of 50% of that is due for redundancy / pension strain (some could be significantly more). Following this through exit costs alone are likely to be in the order of £2.4m - from the data provided we are not able to validate whether this has been incorporated in the investments or from which budget it would be funded. If this were the case, it would leave only £1m for investment in systems and change. In our experience such a significant organisational change will require a higher level of investment in order to gain worthwhile returns; indeed the case references the MFSS model for which the public figures show this to be the case.

Beyond the potential to increases in exit costs, we see a risk of the on-going payroll costs also rising if the assumption that existing post holders will take on new responsibilities at no additional pay proves not to be the case.

Many of the savings identified, both within the shared service and organisational redesign projects, will come from a reduction of staff within the enabling services. As this process of staff reduction would play out across the two fire services and police forces, employment processes relating to redundancy, selection and assimilation of post holders, as well as TUPE, would apply equally to all services - even to Warwickshire police, who by dint of the alliance and shared posts would find their own staff affected by TUPE requirements. Beyond this, the impact of assimilation, settlement agreements, attrition of key staff and redundancy payments would require a substantial investment of management attention and funds. Moreover, while FBC paragraph 5.2.3 contends that equal pay claims could be resisted, this would not be a sustainable position, and a movement to equalise pay and conditions would be necessary over a stated period of time.

With such complexity, we consider the organisational, financial and legal risks of these transition activities should be comprehensively detailed in the risk register. This is not the case.

### **c. Management Case**

The information provided is at a very high-level and does not allow the reader to assess the achievability of this major change. There are no clear timelines set out in relation to delivery, and reference to risk management is minimal. We are aware that there has been very limited engagement with the services in the creation of the FBC. In particular, and counter to the statement in the introduction, the finance leads have not had the opportunity to review or validate the savings assumptions either for accuracy or for double counting with current plans.

The stated intent is to undertake a 'lift and shift' change in management in April 2018 and then rapidly move to a consolidated management structure by April 2021. In reality, based on the savings profile / implementation timeline, we interpret that, bar two posts, this structure will actually be in place by March 2019.

When reviewing Table 1 (the financial case), it is apparent that 94% of the savings must be realised by the end of March 2020 in order to deliver a full-year effect in 2021. This very aggressive delivery timeline means that staff reductions will have to be frontloaded into the programme. This approach seems impractical given the concept of developing a Fire / Police shared service would require significant investment in change capacity, systems and training, as WMP does not presently support Fire.

Indeed for a major programme like this, we would expect to see some additional and dedicated capacity to lead different change work streams. The retention of a single Chief Fire Officer is unlikely to be sufficient to manage the anticipated technology, people and property work streams. The HR aspects alone will require significant capacity to manage the appointment and exit processes associated with the changes for some 600+ affected personnel on different terms and conditions. The magnitude of such a change appears to be woefully



underestimated, and this presents a significant risk to service delivery that is not reflected on the risk register.

We have reviewed the timeline and created an 'assumed' programme plan based on the limited information available - this is indicative but is intended to enable the scale of the programme to be visualised. Even from a broad review this appears very optimistic, particularly given the aspiration that no additional resources will be engaged to support. We would flag the need for appropriate and meaningful consultation with impacted employees and would suggest that this is likely to lead to slippage in the programme, as the impact is not currently known.

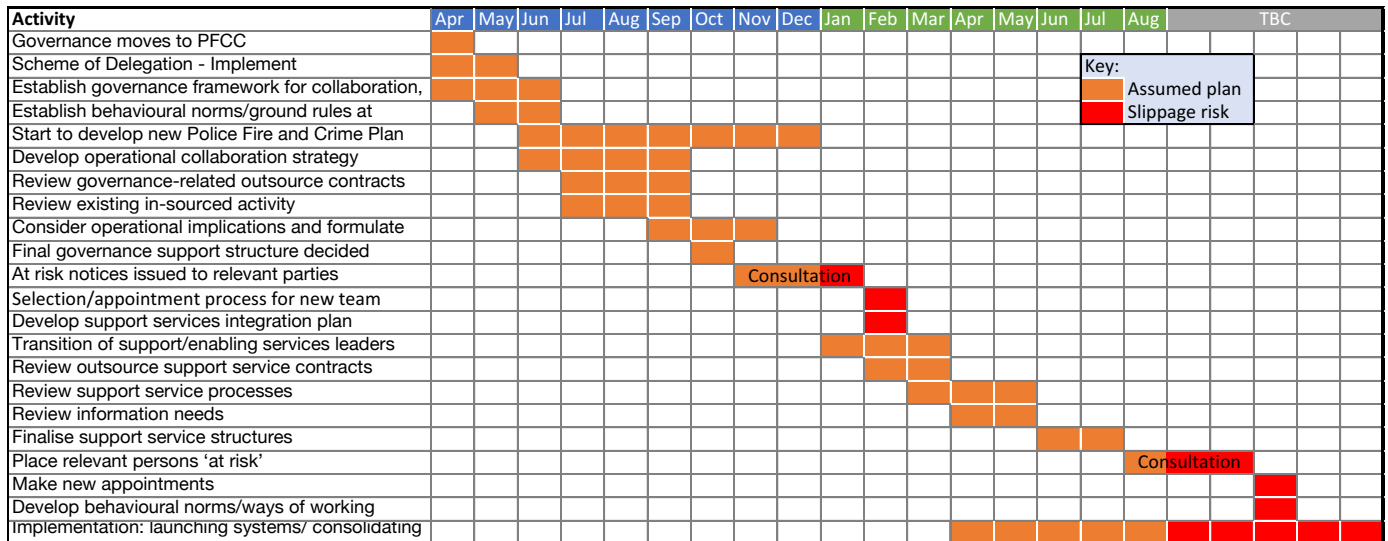


Figure 2 - Indicative programme plan

The overall case for change is heavily led by the argument of savings - specifically the promise of new savings. This seems to be at odds with the PCC's stated critical success factors for the change in governance as set out in 7.8.3. These factors make no reference to the delivery of financial benefits. This could be taken either as an omission or a contradiction.

## 5. Risk Definition and Assessment

Annex 2 of the FBC provides the risk register for the proposal. Although not entitled as such, we presume this represents the strategic and programme management risks identified for the transition, as referenced in 7.7.2.

In broad terms, the level of detail across all risks, particularly in relation to control measures, is light. In most cases, even for the most complex and multifaceted risk, there is a single, fairly simple control measure. The level of risk mitigation achieved by these single control measures is sometimes highly optimistic, often in the region of 50% and once achieving a 66% reduction.

Risks 1, 3 and 4 focus primarily on cultural causes and reflect the importance placed on staff engagement in the FBC. This was an issue of considerable

discussion during the consultation for the IBC and the need for building and maintaining trust was emphasised. However, the control measures, which tend to focus on either the programming of the project or indeed the positive approach of the Chief Officer, seem to underestimate the investment of time and resources needed to manage the risk and mitigate its effects. Surprisingly, there is no accounting of the resources that would necessarily be invested in this work.

Our original report identified that expansion of the current collaborative activities was constrained less by cultural barriers than by organisational capacity. This view has been reinforced in our subsequent enquiries, where it is clear that, for WM Police, the management of major ICT projects and their strategic alliance with Warwickshire is consuming considerable internal resource. Risk 5 acknowledges this by recognising that existing major transformational projects may be stalled by the resource requirements of a change in governance. However, the risk control for this capacity issue is a focus on planning. This action alone is calculated to reduce the risk by 50%. We consider this to be an incomplete assessment and one which fails to acknowledge that the risk may not be confined purely to the projects but also impair other aspects of the organisations' functions, including service delivery. Put simply, management capacity, unless expanded, will increasingly be consumed by the transformation and change in governance, leaving little available for current organisational priorities. Given the extremely tight timescale for implementation, we consider this amplifies this risk.

Likewise, Risk 10 refers to a lack of resources to run collaborative initiatives. Again, there is a presumption that this will be controlled by the programme board arrangements and through use of internal resources. This seems to reinforce the belief that achievement of these additional transformation projects needs no further investment. Given the lack of detail around transition costs, we consider both the initial and residual risk values to be unrealistically low.

Risk 8 refers to the potential for existing partnerships with other key agencies to be negatively impacted by this transition. Given this is acknowledged as a strategic risk, it is somewhat surprising that these key partnerships involved in community safety are not considered in the full business case. A single risk control measure of good engagement and communication is lacking any detail, and is unrealistic in assuming an ability to reduce a high risk by 50%.

Risk 7 states,

*"There is a risk that oversight of police performance is reduced due to the new focus on the transition and fire performance"*

Rightly, this recognises the new burdens that will fall upon the PCC and his office. However, both the IBC and FBC persist in contending that sustaining the three organisations will cause a minimal increase in work for the PCC and his office. Given this currently has an initial rating of 15, and a residual rating of 10 (amongst the highest on the register), there appears to be inconsistency between the anticipated OPCC resources and the assumed risk. We are unclear as to what transitional costs have been allocated for the future support of the PCC.

Risk 12 represents a fundamental and far-reaching risk on the veracity of the business case.



*"There is a risk that the benefits included in the Final Business Case may be overstated and prove not possible to deliver after the governance model changes."*

It assumes the cause of this risk to be assumptions that are not robust (we interpret this to mean incomplete or incorrect). To mitigate this possibility, it calls for robust scrutiny. By whom, when and by what are not stated. As our analysis shows, there are already concerns as to the financial projections, possible savings and transition costs. Once again, this has the prospect of creating a further risk of internal resources having to be transferred to address project shortfalls to the detriment of current service levels. As such, we consider this risk both understated and insufficiently addressed.

The FBC places considerable financial and operational benefit to be derived from a "common public safety platform". This new and extensive ICT infrastructure is key to delivering the efficiencies of the multiforce shared-service project and the enhancement in internal processes, including data sharing. This is appreciated as being a major project, both technically and organisationally, yet fails to be considered a strategic risk. Ambitious and complex projects such as this one, particularly with a large ICT component, require considerable dedicated resource and investment, as well as highly competent programme management. Within the project are a multitude of operational and strategic risks, none of which appears to be referenced on the risk register.

## **6. The Impact of Grenfell Tower Fire**

Understandably, given the scale of the incident, the FBC now makes reference to the Grenfell fire incident that occurred in London in June 2017. The scale and reach of the tragedy has prompted the commissioning of a public inquiry and two further internal DCLG investigations. The scale of loss of life by fire and the subsequent governmental response has not been experienced for over 30 years, and it is highly likely that new legislation with a revised regulatory and enforcement regime will emerge. Whether this will be purely confined to high-rise buildings is unknown but unlikely, given the structure of current legislation. As such, the contention in the FBC that the incident and its aftermath has no direct bearing on the governance proposals is unsupportable and perhaps betrays a lack of appreciation around the fire regulatory environment.

## **7. Conclusions**

The transition of the governance of HWFRS and SFRS to the WMPCC as proposed in the FBC is a major undertaking with important implications for the public of the West Mercia area. As there are substantial risks from such a transition, and objections have been raised by the affected local authorities, a full business case has been produced. The expectation was that this case would provide more detail as to the financial viability of the project, and would address, more comprehensively, the concerns raised as to the practical operation of the governance model. Our analysis shows that this business case continues to pursue the same arguments for adoption of the governance model that were raised in the IBC, with little further development. And while the public consultation led to extensive concerns being aired - which the PCC gave assurance would be addressed - this does not seem to have been the case.

Particularly in relation to the economic case for the transition, this report highlights the continued lack of detailed information on the actual savings, the transition costs and the resource requirements. Our analysis shows that, in order to deliver the savings proposed, a number of significant and highly complex projects will need to be successfully realised. Our review of the risk register reveals that the extent and complexity of the risks associated with these projects has not been recorded, nor is the commitment of time and resource that will be required to manage the risks appreciated.

Whereas the IBC acknowledged a three-year timescale of assimilation for the three services, this is dispensed with in the FBC. In order to deliver the projected savings quickly, the transition has been considerably foreshortened. This, in turn, jeopardises the prospect of avoiding cultural resistance and increases the likelihood of greater redundancy costs as well as project slippage.

As we detailed in the introduction, a number of key assumptions made around fire and rescue governance, operations and risk reduction betray misunderstanding and hence weaken the FBC. This issue is compounded by the lack of proper analysis of the alternative options, which should be a necessary feature of a robust business case. In many instances, the same savings and efficiencies could be achieved irrespective of the governance arrangements, and we quote a number of examples where collaboration is already underway proving the efficacy of the present structures.

The development of the FBC has taken considerable time and effort, and there is always a danger that such investment fixes views rather prompts objective analysis. Our hope is that the issues we raise will help to inform the debate for the best collaborative approach going forward. This will serve not just the organisations themselves but most importantly the public who rely on their effectiveness.

## Glossary

APACE	Association of Policing and Crime Chief Executives
CA	Constituent Authority
FBC	Full Business Case
FRA	Fire and Rescue Authority
FRS	Fire and Rescue Service
HWFRS	Hereford and Worcester Fire and Rescue Service
IBC	Initial Business Case
MFSS	Multiforce Shared Services
WMPCC	West Mercia Police and Crime Commissioner
SFRS	Shropshire Fire and Rescue Service
WMP	West Mercia Police

## **Report of the Treasurer**

### **Medium Term Financial Plan (MTFP) Update**

#### **Purpose of Report**

1. To review the current Medium Term Financial Plan.
- 

#### **Recommendations**

***It is recommended that the current resources position be noted and a further report be brought to the Policy & Resources Committee when the key funding information has been made available.***

#### **Background**

2. The Policy & Resources Committee considered this interim report on 22<sup>nd</sup> November 2017 and no new data is yet available.
3. In February 2017 the Fire Authority agreed a revised MTFP for 2017/18 to 2020/21 which identified annual cumulative savings of £1.553m by 2020/21.
4. This interim budget gap was met by a prudent use of resources to permit planned efficiency measures to fully deliver savings for the 2020/21 year.
5. In June 2017, as part of the closedown process there was a minor realignment of expected excess staff costs and corresponding use of reserves. This did not change the overall position which is detailed in Appendix 1 line 28.
6. In addition, the Appendix has been rolled forward to include an additional year, based on further estimates of grants and inflation, and the full implementation of planned efficiency measures.

#### **Review of Available Resources (Funding)**

7. At this stage there is no further information on the resources position:
8. Whilst grant allocations to 2019/20 have been given, the position thereafter is much less clear. It is not certain if the proposed introduction of full rates retention will be implemented, due to other pressures on legislative time, and it is still not determined whether Fire will be part of the arrangement anyway.

9. Government is also in the process of reviewing the allocation methodology, both in terms of the distribution of the fire share between Authorities and the relative size of the fire share.
10. Given that it is unlikely that the local government allocation will increase, the pressures on Adult and Children's Social care put the current Fire share at risk.
11. It may be that the Budget delivered by the Chancellor today (22<sup>nd</sup> November) may give some indications of direction, but it will be a few weeks before any Authority level information is available.
12. As a precaution the MTFP assumes that grant (or equivalent) in 2020/21 is 10% lower than in 2019/20, and a further 10% lower in 2021/22. At the most recent analysis this caution was not shared by all Authorities.
13. Whilst it is expected that the council tax-base has grown overall slightly faster than expected, there is as yet no detail on the exact impact. Estimates are anticipated in late November, with confirmed figures in January 2018.
14. Similarly, there is no information on business rate yields.
15. At this point therefore, there are no changes to the funding side of the MTFP.

### **Expenditure Requirement**

16. There are now a number of known and potential changes to the current expenditure forecasts. These are outlined below, and summarised in Appendix 1 Line 37.
17. Line 29 – 2017/18 Inflation saving: Provision made within the 2017/18 budget and carried forward into 2018/19 and beyond is not required and can be removed.
18. Line 30 – Excess Staff: The reduction in excess staff has been significantly faster than originally anticipated, particularly as a result of the voluntary redundancy arrangements, with a consequential saving in costs.
19. Line 31 – July 2017 Grey Book pay award: whilst the 2% employers offer has been rejected by the Fire Brigades Union (FBU) it remains as an offer, and it is prudent to anticipate the additional 1% cost above that currently provided in the MTFP.
20. Line 32 – July 2018 pay award: Whilst there are no definitive decisions, the current negotiations suggest that settlement to the 2017 award may involve future awards greater than 1%. As a cautious measure an additional 1% is provided in 2018/19.
21. Lines 33-35 – HQ relocation: Plans are now sufficiently established to bring forward the phasing of savings arising from the move of Fire HQ to the police HQ site.

22. Line 36 – Property: On behalf of the Authority, Place Partnership (PPL) have carried out a detailed condition survey of all current properties. Whilst the final results are still awaited it would be prudent to set aside funds to carry out any works to prevent any further deterioration.
23. It is possible that agreement on revised crewing arrangements will be agreed shortly, and the resultant savings, and any transitional costs can be phased into the MTFP.

### **General Balances**

24. The current MTFP assumption of using £0.300m of balances in 2018/19 remains, leaving the core balance at £1.538m as agreed.
25. Relative to other Fire Authorities this level of balance is not high, and it should be noted that Fire Authorities now bear a risk in relation to council tax benefit and business rate yield, and so are more directly connected to local economic conditions.
26. Whilst this level of balances remains prudent there is an opportunity cost of holding reserves. They could be used to finance one off expenditure or to temporarily reduce the council tax precept. The risk, of course, is that if reserves are reduced there is less capacity to meet unforeseen or unexpected expenditure pressures, and a temporary reduction in council tax cannot be readily recovered.

### **Earmarked Reserves**

27. Other than the reserves held to fund expenditure that will happen at some point in the future the balance of these reserves are committed to supporting the budget in line with the agreed strategy.

### **Overall Position**

28. Taking into account all these changes the interim net position is shown in Appendix 1 Line 38 and shows a remaining gap of £0.946m for 2021/22 (i.e. four and a half years away).
29. This gap is largely a result of further assumptions of grant cuts £0.486m and the impact of potential 2% pay awards in 2017/18 and 2018/19 (net of base inflation savings) £0.349m.

### **Future Progress**

30. Officers will continue to refine the budget figures and will receive final tax-base, collection fund figures and estimated business rate income.
31. There is a further meeting of the Policy and Resources Committee on 31 January 2018 and the Fire Authority will meet on 14 February 2018 to agree a budget and precept for 2018/19.

## Corporate Considerations

<b>Resource Implications</b> (identify any financial, legal, property or human resources issues)	Yes – whole report
<b>Strategic Policy Links</b> (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	Yes – whole report
<b>Risk Management / Health &amp; Safety</b> (identify any risks, the proposed control measures and risk evaluation scores).	No
<b>Consultation</b> (identify any public or other consultation that has been carried out on this matter)	No
<b>Equalities</b> (has an Equalities Impact Assessment been completed? If not, why not?)	n/a

## Supporting Information

Appendix 1: Medium Term Financial Forecasts: Nov 2017

## Background Papers

Fire Authority 15 February 2017: Budget and Precept 2017/18 and MTFP

## Contact Officer

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## Hereford & Worcester Fire Authority 2017/18

### Medium Term Financial Forecasts: Nov 2017

MTFP as approved Feb 2017 and amended June 2017

	2017/18 Budget £m	2018/19 Forecast £m	2019/20 Forecast £m	2020/21 Estimate £m	2021/22 Estimate £m
<b>1 CORE NET EXPENDITURE</b>	<b>31.687</b>	<b>31.925</b>	<b>33.069</b>	<b>33.576</b>	
2 Core Net Expenditure 2020/21					33.576
3 Pay Awards (1% pa)					0.227
4 General Inflation					0.300
5 LGPS Revaluation					0.010
6 Capital Programme					0.100
7 Crewing Changes					(0.250)
8 Hindlip Move - release of existing HQ					(0.240)
9 Hindlip Move - reduction in running costs					(0.080)
10 Hindlip Move - back office efficiencies					(0.100)
11 Fire Control					(0.500)
12 Wyre Forest					(0.100)
<b>13</b>	<b>31.687</b>	<b>31.925</b>	<b>33.069</b>	<b>33.576</b>	<b>32.943</b>
14 Excess Staff	0.837	0.476			
<b>15 TOTAL NET EXPENDITURE</b>	<b>32.524</b>	<b>32.401</b>	<b>33.069</b>	<b>33.576</b>	<b>32.943</b>
<b>16 CORE FUNDING</b>	<b>(31.328)</b>	<b>(31.423)</b>	<b>(31.780)</b>	<b>(32.023)</b>	
17 Core Funding 2020/21					(32.023)
18 Further 10% cut in Grant					0.486
19 Business Rates Poundage					(0.050)
20 Precept - Tax-base/Band D (1.96%)					(0.759)
21 Rural Services Delivery Grant	(0.088)	(0.067)	(0.088)		
22 Transitional Grant	(0.142)				
23 Council Tax Collection Fund	(0.238)				
24 Business Rates Collection Fund	(0.025)				
<b>25 TOTAL FUNDING</b>	<b>(31.821)</b>	<b>(31.490)</b>	<b>(31.868)</b>	<b>(32.023)</b>	<b>(32.346)</b>
<b>26 GAP</b>	<b>0.703</b>	<b>0.911</b>	<b>1.201</b>	<b>1.553</b>	<b>0.597</b>
27 Use of Reserves	(0.703)	(0.911)	(1.201)	(1.553)	
<b>28 RESIDUAL GAP</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.597</b>
<b>October 2017 Updates</b>					
29 2017/18 Inflation Saving	(0.171)	(0.171)	(0.171)	(0.171)	(0.171)
30 Savings on Costs of Excess Staff	(0.737)	(0.476)			
31 2% Grey book Pay Award Jul 2017	0.195	0.260	0.260	0.260	0.260
32 Potential 2% Award Jul 2018		0.195	0.260	0.260	0.260
33 Hindlip Move - release of existing HQ		(0.120)	(0.240)	(0.240)	
34 Hindlip Move - reduction in running costs		(0.040)	(0.080)	(0.080)	
35 Hindlip Move - back office efficiencies			(0.029)	(0.100)	
36 Provision for Property Maintenance	0.713	0.352	0.000	0.071	<b>1.136</b>
37	0.000	0.000	(0.000)	0.000	0.349
<b>38 REVISED GAP</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.000)</b>	<b>0.000</b>	<b>0.946</b>



## **Report of Chief Fire Officer / Chief Executive**

### **Principal Officer Temporary Structure Proposal**

#### **Purpose of report**

1. In the light of the retirement of the current Deputy Chief Fire Officer (DCFO) in July next year - and the formal submission to government of the Police & Crime Commissioner's (PCC) full business case for taking over governance of the two Fire & Rescue Services in the West Mercian area - this paper provides the Fire Authority with a recommended approach to effectively maintain the Service's Principal Officer function over a 12-18 month period, whilst minimising both the organisational and operational risks to the Fire Authority.

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#### **Recommendations**

***It is recommended that with effect from the date of retirement of the DCFO (or as agreed by the CFO):***

- i) the current Assistant Chief Fire Officer (ACFO) be temporarily promoted to the post of DCFO for a period of at least 12 months (with an option to review and extend depending on prevailing circumstances) and that the resultant temporary vacancy at Assistant Chief Fire Officer (ACFO) be filled internally - potentially using a number of candidates; and***
- ii) the remuneration level of the temporary DCFO & ACFO posts will be the same as the substantive DCFO & ACFO posts respectively, albeit that the positions will not attract any pensionable benefit (due to the temporary nature of the position).***

#### **Introduction and Background**

2. The current DCFO has tendered his resignation, with a view to retire from the Service in July next year. This will leave the Service with a vacancy at Principal Officer level.
3. However, in October this year, the West Mercia PCC submitted a full business case to Home Office, recommending that he takes over governance of the two FRS's in the area.
4. In that business case, it is argued that efficiencies could be made across the two FRS's by rationalising the senior management structure – and in

- particular reducing both the Chief and Deputy Chief Officer positions from four (currently two CFO's & two DCFO's) to two (one CFO and one DCFO).
5. Irrespective of the practical deliverability of the business case, the publication of such a revised senior management structure across the two FRS's creates significant uncertainty as to the long-term viability of those posts, which in turn will detrimentally impact on the Service's ability to successfully attract suitably qualified and experienced candidates to apply for those positions.
  6. It would therefore be inopportune to seek to appoint a permanent DCFO at this time. The current substantive ACFO has the requisite skills and experience to undertake that role until clarity is determined in respect to the future structure. I therefore propose that postholder be temporarily promoted to DCFO.
  7. None of the current Area Commanders within HWFRS have any demonstrable experience at Principal Officer level: a quality that would potentially be deemed as essential for any Person Specification when considering future candidates for the substantive DCFO appointment. I therefore propose that suitable internal candidates be given the opportunity to gain experience through a series of temporary promotions to ACFO.
  8. Therefore, this proposal seeks to address two issues. Firstly, it would enable appropriate Principal Officer cover to be effectively maintained during this period of uncertainty. Secondly, it would allow suitable internal candidates (who would have already demonstrated their ability to effectively manage a simulated multi-agency major incident) to gain valuable organisational and political experience at that level. This, in turn, will also provide those individuals with sought-after, relevant experience to support any subsequent application for substantive Principal Officer posts that will arise in any clarified or revised senior management structure.

### **Corporate Considerations**

9. Although, on the face of it, the recommended approach has the disadvantage of delaying the substantive appointment of a key Principal Officer post, this is more than compensated for by effectively maintaining the function via a temporary arrangement that not only provides continuity of management and opportunity for internal development, but also eliminates the risk of undertaking a process that may result in no suitably qualified and experienced candidates applying due to the uncertainty of future organisational changes.
10. Furthermore, the Fire Authority will be able to demonstrate due diligence in its decision making, by taking into account and acting upon foreseeable possible organisational changes that, if not considered, may result in avoidable future costs to the public purse (e.g. redundancy from supernumerary posts).
11. In order to undertake the temporary ACFO role, suitable internal candidates will need to first successfully undertake an operational assessment commensurate with Principal Officer responsibilities at a large scale, complex, multi-agency incident.

12. The aim will be that all candidates who are successful at the operational assessment will then be given an appropriate opportunity to act up in the temporary ACFO role over the designated period.

## Conclusion

13. This approach will maintain the current Principal Officer function in all substantive operational and organisational regards.
14. Taking into account the complexity and uncertainty of the current operating environment and the advantages and disadvantages highlighted above, this report recommends to the Fire Authority to delay the permanent appointment of a DCFO, but instead, make temporary appointments to the DCFO & ACFO posts in order to maintain the Principal Officer function with minimal impact on both organisational and operational effectiveness and efficiency.

## Corporate Considerations

<b>Resource Implications</b> (identify any financial, legal, property or human resources issues)	None – although there is the potential to accrue a small amount of savings in pension contributions over the period, as both posts will be temporary in nature (i.e. promotions will be non-pensionable).
<b>Strategic Policy Links</b> (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	The commitment to having the right people, with the right skills and training is part of 'Our Strategy'.
<b>Risk Management / Health &amp; Safety</b> (identify any risks, the proposed control measures and risk evaluation scores).	The recommendation is itself the management of the risks arising from the potential change in organisational structures outlined in the PCC Business Case.
<b>Consultation</b> (identify any public or other consultation that has been carried out on this matter)	N/A
<b>Equalities</b> (has an Equalities Impact Assessment been completed? If not, why not?)	Any temporary promotion opportunities will be based on both the operational and organisational needs of the Service and will take equalities issues into account

**Supporting Information**

Background papers – West Mercia PCC Full Business Case

**Contact Officer**

Nathan Travis, Chief Fire Officer

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## **Report of Area Commander, Community Risk & Training**

### **Houses of Multiple Occupation: Project Update**

#### **Purpose of report**

1. This briefing paper provides a twelve month update on the Houses of Multiple Occupation (HMOs) project being delivered by the Community Risk Department.
- 

#### **Recommendations**

##### ***It is recommended that:***

##### ***i) The success of the project to date be noted***

- ***an additional 526 business fire safety checks have been completed, resulting in enforcement action being taken against 91 premises; and***
- ***358 residents are now living in safer conditions where the risk of harm or injury from fire has been considerably reduced.***

##### ***ii) The continuation of the project for a further 12 months at a cost of circa £73,000, which would be met from the Organisational Development Reserve be approved.***

#### **Introduction and Background**

2. In March 2016 the Fire Authority Policy & Resources Committee agreed to release £60,000 from reserves to fund a twelve month project targeting fire safety in Houses of Multiple Occupation and residential accommodation above commercial premises.
3. The aim of the project has been to expose fire safety issues in unlicensed HMOs and residential accommodation above commercial premises where the vulnerability of tenants may be considerably higher, leading to non-compliant landlords being identified.
4. Due to the recruitment and training of staff the effective start date of the project was August 2016.
5. In March 2017 the Fire Authority Policy & Resources Committee received a six month update.

## Twelve-Month Update

6. The project team have continued to proactively target mixed use premises (residential above commercial) in order to tackle potential fire safety issues created by rogue landlords and unlicensed HMOs.
7. Based upon the emerging trends that have been identified through the delivery of this project, the Service is planning to examine its current approach to regulatory services which is delivered through the Risk Based Audit Programme (RBAP).
8. Some aspects of the initial scope of the project have not been achieved as planned, such as embedding staff into local authority offices. This was deliberately not progressed further as it was identified as being too onerous and granular in its approach as it took the focus away from targeting relevant premises in local communities across the Service area. However, the work undertaken by the project team is naturally developing much stronger and wider partner relationships with the police, trading standards and housing authorities.
9. As a direct consequence of the project there has been a significant increase in fire safety enforcements meaning that affected residents are living in safer conditions where the risk of harm or injury from fire has been considerably reduced or eliminated by this project.
10. The table attached to this report as Appendix A provides a summary of the project activities and outcomes for the twelve month period.
11. 17% of the Business Fire Safety Checks (BFSCs) undertaken during the pilot have resulted in further fire safety officer intervention and/or enforcement action in respect of circumstances which had the potential to expose the 358 residents living within those HMOs to a greater risk of injury or harm from fire (based on the number of sleeping facilities prohibited).
12. In addition, whilst on site, the team identified other residential properties not linked to businesses and delivered Home Fire Safety Check (HFSCs) information to approximately 341 homes. This has resulted in the HMO project team completing 17 ad-hoc visits (further HFSCs are being dealt with directly by central Community Risk staff).
13. Generally across the pilot the uptake of HFSCs was poor and the team were unable to influence this. As the project matured, less importance was placed on this because where business premises were considered to be a danger to the occupants living above the commercial premises enforcement action was taken.
14. Areas for inspection were identified by the project team liaising with local fire crews, examining incident data or applying their professional judgment and knowledge. Through this process the *total number* of business premises in the relevant area was identified.

15. The *actual number* of premises to be targeted was identified by conducting a desktop survey which removed those premises considered to be low risk, e.g., those premises covered by the scope of the Primary Authority Scheme or recently inspected through the existing RBAP.
16. All of the target premises within a relevant area received a Business Fire Safety Check (BFSC) and, where necessary, a full fire safety inspection.
17. As a consequence of the number of audits which led to a full fire safety inspection and subsequently enforcement action being required, it became evident an experienced Business Fire Safety Risk Assessor (non-uniformed post) would need to be temporarily moved across into the project from within the Community Risk Department. This resulted in a vacancy arising in the department as the post was not back-filled for the period of the project.
18. From the original budget allocation of £60,000 the project has used circa £56,000, the underspend equates to a crew commander vacancy which was unused as it was originally intended to temporary promote a firefighter to crew commander to provide managerial oversight of the project.
19. Other significant benefits of this project being delivered include the premises database (CFRMIS) being updated in each area to accurately reflect the geography and the strengthening of relationships with partner agencies leading to shared intelligence and joint working.
20. The project has achieved its objective: *'to provide additional research and evidence which may inform future fire safety strategies'*.

### **Other Considerations**

21. The current HMO project team are currently employed on lower pay scales than the actual substantive posts are anticipated to require, based upon similar roles within the existing Community Risk Department structure.
22. It is anticipated the appropriate scale posts for the project would be 1 x Business Fire Safety Regulator (Level 4 Diploma) PO1 post costing £41,680 and 2 x Business Fire Safety Risk Assessor (Level 4 Certificate) posts costing £58,140. The cost of these three posts would be off-set by transferring an existing Business Fire Safety Risk Assessor (£29,070) post within the Community Risk structure into this project, resulting in an overall additional salary cost of circa £71,000.
23. The extension of the project would require the department to continue hiring an additional vehicle to support its delivery across the Service at a cost of £2,000.
24. There is early evidence to suggest greater risk to both staff and the organisation in terms of aggressive behaviour towards, and complaints made against, inspectors. The Service is exploring how this risk may be reduced or mitigated by

the introduction of body worn video and personal safety training, the cost of which is being identified.

### **Conclusion/Summary**

25. This paper provides a twelve-month update for the HMO project, which identifies fire safety issues in unlicensed HMOs and residential accommodation above commercial premises, and highlights the significant fire safety intervention that has been achieved during the project.
26. Headline figures demonstrate the value of the project: 17% of BFSCs have resulted in enforcement, and 358 residents are now living in safer conditions where the risk of harm or injury from fire has been considerably reduced through this pilot.
27. Based upon the findings of this update report it would be sensible to continue with this pilot for a further twelve months; this would allow the Service to review the current structure of the Community Risk Department in order to consider permanently embedding this activity.



## Corporate Considerations

<b>Resource Implications</b> (identify any financial, legal, property or human resources issues)	The initial funding of £60,000 will be utilised by the end of the twelve-month period (end July 2017). To continue the project additional resources need to be approved.
<b>Strategic Policy Links</b> (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	The project has demonstrated how the Service delivers the Core Purpose of 'Our Strategy', and meets the Community Risk Strategy 'business fire safety' objective.
<b>Risk Management / Health &amp; Safety</b> (identify any risks, the proposed control measures and risk evaluation scores).	Whilst the risk based audit programme (RBAP) will continue as core fire safety business, this targeted project approach is based on an intelligence led audit programme (ILAP).
<b>Consultation</b> (identify any public or other consultation that has been carried out on this matter)	Potential new working arrangements for CR Dept. technicians will require consultation with Representative Bodies, and potential job description alterations.
<b>Equalities</b> (has an Equalities Impact Assessment been completed? If not, why not?)	No, the report concerns a twelve-month project update on the HMO initiative, where additional resources have targeted fire safety issues identified in HMO type premises.

## Supporting Information

**Appendix A:** Summary of project activities and outcomes for the twelve month period.

### Background Papers

Policy and Resources Committee report: Houses of Multiple Occupation, dated 21 March 2016.

### Contact Officer

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# Twelve Month Summary

# APPENDIX A

Town	Area	Date From/To	Total business premises identified	Actual business premises targeted (BFSCs)	No. of BFSCs requiring full inspection	No. of full inspections leading to enforcement	Rate of enforcement (% of actual)	Residential premises identified	HFSCs completed	Potential lives saved
Kington	Bridge St, Church St & High St	15/05/2017 – 17/05/2017	36	22	13	7	31	77	10	16
Worcester	St Johns	24/10/2016 – 25/11/2016	59	41	18	5	12	68	4	21
	Lowesmoor	22/05/2017 – 01/06/2017	41	36	13	7	19	16	0	22
	Sidbury	02/06/2017 – 09/06/2017	21	18	7	5	28	3	0	18
	The Tything	13/06/2017 – 31/07/2017	138	102	33	18	18	37	0	45
Evesham	Port St & High St	12/12/2016 – 26/01/2017	134	102	46	12	12	65	3	81
Droitwich	High St, Queens St & Friar St	13/02/2017 – 02/03/2017	69	55	29	8	14.5	20	0	27
Kidderminster	Horsefair, Comberton Hill Mill Street	06/03/2017 – 28/04/2017	98	74	29	17	23	27	0	70
Stourport	High St, York St & Bridge St	20/03/2017 – 13/04/2017	85	76	35	12	16	28	0	57
<b>TOTAL</b>			<b>681</b>	<b>526</b>	<b>223</b>	<b>91</b>	<b>17% (Average)</b>	<b>341</b>	<b>17</b>	<b>358</b>



Hereford & Worcester Fire Authority

Audit and Standards Committee

Wednesday, 06 September 2017,09:30

## Minutes

**Members Present:** Ms P Agar, Mr I D Hardiman, Mr M Hart, Dr K Pollock, Professor J W Raine

### 75      **Apologies for Absence**

Apologies were received from Mr A Amos, Ms K Guthrie, Mr R Matthews, Mr P Middlebrough, Mr S Williams.

### 76      **Named Substitutes**

There were no named substitutes.

### 77      **Declarations of Interest (if any)**

There were no declarations of interests.

### 78      **Confirmation of Minutes**

**RESOLVED** that the minutes of the Audit and Standard Committee held on 12 April 2017 be confirmed as a correct record and signed by the Chairman.

### 79      **Draft Annual Governance Statement 2016/17**

Members were given a summary of the governance arrangements for 2016/17 and advised that procedures followed the same format as previous years. The Committee were informed that the annual self-assessment review noted evidence of compliance with all core and supporting principles of good governance with no areas for immediate action. It was noted that two minor actions were scheduled for work in 2017/18 as the review of some documents and arrangements in Financial Regulations and Standing Orders for Regulation of Contracts had yet to

be completed.

**RESOLVED** that the Draft Annual Governance Statement 2016/17 be approved.

## **80 Approval of the Annual Statement of Accounts 2016/17**

The Treasurer presented the Statement of Accounts 2016/17 to the Committee and noted that there were three amendments to the Draft Accounts covering the following;

### **Pg. 101 of Agenda 14. Senior Officers: Additional Final Sentence**

The Chief Fire Officer/Chief Executive costs are only included for part of the financial year, this is because until 31 July 2016 he was employed by Oxfordshire County Council and seconded to Hereford and Worcester Fire Authority. The Authority made payment of £57,159 to Oxfordshire County Council for the services received.

### **Pg. 132 of Agenda 124. Events after the Reporting Period: Additional Disclosure**

As part of the triennial revaluation of the Worcestershire Pension Fund (LGPS), the Fire Authority has a liability to make lump sum contributions; to cover the previous deficit relating to prior years; in 2017/18, 2018/19 and 2019/20, totalling £960k. In April 2017 the Authority paid the 2017/18 liability and prepaid the liabilities for 2018/19 and 2019/20 to secure a discount of £60k in the total liability.

### **Pg. 134 of Agenda Firefighters' Pension Fund Statement of Net Assets**

Correction to 31 March 2017 top up grant and amounts due to General Fund.

The following balances in the table below are held in relation to the Pensions Fund.

	31-Mar-16	31-Mar-17
	£000	£000
Current Assets		
Debtors		
Employer Contributions Due	116	107
Employee Contributions Due	100	96
Top Up receivable from the government	234	2,504
Prepayments		
Pensions paid in advance	996	583
Creditors		
Unpaid Pension Benefits	(40)	(21)
Amounts due to General Fund	(1,406)	(3,269)
	0	0

The Treasurer confirmed that the accounts had been signed off on 26 May 2017 a month ahead of the new deadline that will apply from next year onwards and that there were no significant issues arising from the completed audit. The Treasurer highlighted that although the accounts showed a significant deficit this had arisen from the identified liabilities in the pension schemes and confirmed that the Authority was not required to fund the negative balance as it would be met by direct government grants. Members' attention was drawn to the fact that as a consequence of the new Account and Audit Regulations 2015 and the changing deadlines for account sign off and publish it will be necessary to make changes to the established timetable for the Committee from 2018 onwards.

Following consideration of the External Audit Findings Report (below) it was **RESOLVED the Statement of Accounts 2016/17 be approved.**

## 81 External Audit Findings Report 2016/17

The External Auditor confirmed that working papers received by officers were good quality reports and in line with the agreed timetable. It was

highlighted to Members the intention of issuing an unqualified opinion on the financial statements and an unqualified value for money conclusion. Members were advised that there were no control issues or weakness' to be brought to the attention of the committee and that no adjustments affecting the Authority's reported financial position were required.

There were no issues relating to findings against significant risks and the auditors were happy with the identified conclusions. With regards to the Medium Term Financial Plan it was noted that good plans were in place to address the deficit. It was recognised that despite risks with some longer term schemes involving external partners the arrangements that were in place were sustainable, focused and what the auditors expect to see.

**RESOLVED that:**

- i) the External Audit Findings Report 2016/17 including an unqualified opinion on the 2016/17 accounts be noted; and**
- ii) the letter of representation be approved on behalf of the Authority.**

## **82 External Audit: Future Plans**

The External Auditors confirmed that the Authority's scale fee for 2017/18 remained unchanged from the previous year and that no additional charges were required.

The Treasurer reminded Members of the revised arrangements for the appointment of external auditors from 2018/19 and confirmed that the Authority had received notification from Public Sector Audit Appointments Ltd. appointing Grant Thornton UK LLP as auditors for five years commencing with the 2018/19 audit.

[9:55 Cllr Pat Agar entered the room]

**RESLOVED that the Committee note:**

- i) The External Audit Fee 2017/18 from Grant Thornton UK LLP; and**
- ii) The appointment of Grant Thornton UK LLP as Auditors for 2018/19 onwards.**

## **83 Annual Statement of Assurance 2017-18**

It was highlighted to Members that this was the fifth Statement of Assurance that the Authority had produced and was designed to give

staff, partners and members of the public assurance that the Authority does everything it can to keep them safe as well as providing value for money. Members attention was drawn to the fact that the document was a summary covering three areas of governance, finance and frontline response, signposting readers to information that was already publically available.

**RESOLVED that the Draft Statement of Assurance be adopted and approved for publication.**

#### **84 Internal Audit Annual Report 2016/17**

The Head of Internal Audit Shared Service presented a report detailing the achievement of the Internal Audit objectives as set out in the Internal Audit plan 2016/17. The audit opinion and commentary on the overall adequacy and effectiveness of the internal control environment concluded that arrangements for 2016/17 had managed the principle risks effectively and could be relied upon to meet corporate objectives. Full to moderate assurances were given in relation to all but two of the twelve areas reviewed. These outstanding issues in Safeguarding and the CARE Scheme were being addressed as part of the process of continuous improvement and clear management actions had been agreed.

**RESLOVED that:**

- i) the audit plan delivered in 2016/17 provided an assurance level of full for the core financial areas and identified two key areas for improvement be noted; and**
- ii) the internal Audit Charter be approved.**

#### **85 Internal Audit Monitoring Report 2017/18**

The Head of Internal Audit Shared Service presented a report detailing progress on the 2017/18 audit plan and the residual work from the 2016/17 plan. Members were informed that although the residual work reported four high priority recommendations arising with potential risks in safeguarding and the CARE system these were already being addressed through robust management action plans. It was confirmed that work for 2017/18 would continue to progress steadily throughout the year and the Committee would be kept up to date with findings.

**RESLOVED that the Internal Audit Monitoring Report 2017/18 be noted.**

## **86 Organisational Development - Equality and Diversity Review**

Members were advised that the Service was on a conscious journey to improve equality and diversity practices. Members were informed of the findings and recommendations following a review carried out by The Wisdom Factory CIC on behalf of the Services Organisational Development Group. The review identified twenty four recommendations. It was noted that one of the key actions identified was the development of an Equality and Inclusion Strategy with measurable and achievable objectives that would produce an action plan to discharge the recommendations and be overseen and monitored by the Organisational Development Group.

Cllr Agar expressed concern that the report referred only to LGB rather than LGBT. Officers agreed that this would be a consideration in future documents.

**RESOLVED that:**

- i) the findings and recommendations set out in the Equality and Diversity Review be welcomed and incorporated within an action plan being developed as part of the forthcoming People Strategy; and**
- ii) the action plan include an Equality and Inclusion Strategy which be brought back to Audit and Standards Committee for approval as soon as possible.**

## **87 Employment Monitoring Data 2016-17**

Members were presented with a summary of progress against the Public Sector Equality Duty prior to the publication of the Employment Monitoring Data 2016/17. The data covered six main areas and the report went hand in hand with the Equality and Diversity review and the work of the Organisational Development Group.

**RESOLVED that:**

- i) it be noted that there have been minimal changes to the overall make up of the Services workforce since the previous employment monitoring report for 2015-2016.**
- ii) it be noted the inclusion of data in relation to unsuccessful completion of the fitness test has been included within the Case Work section of the Employment Monitoring Report 2016-2017.**



iii) The Employment Monitoring Report 2016-2017 be approved for publication.

## 88 Health and Safety Committee Update

The key aim of the Health and Safety (H&S) Committee was to establish a forum to provide robust arrangements to review health and safety matters taking into account local, regional and national activity. It was confirmed that Councillor Brandon Clayton sat on the H&S Committee which had the ability to task a working group as and when required. Members were informed that currently the working group were midway through a review of organisational road risk and findings would be brought back to Audit and Standards Committee in due course.

***RESOLVED*** that the

**(i) Health and Safety performance information recorded during January 2017 to June 2017 (Quarter 4 2016/17 & Quarter 1 2017/18) be noted.**

**(ii) involvement of the Service in a number of Health and Safety initiatives be noted.**

The Meeting ended at: 10:57

Signed:.....

Date:.....

Chairman



Hereford & Worcester Fire Authority

Policy and Resources Committee

Wednesday, 20 September 2017, 10:30

## Minutes

**Members Present:** Mr R C Adams, Mr B A Baker, Mr T D Baker-Price, Mr B Clayton, Mrs E Eyre BEM, Mr A Fry, Mrs F M Oborski MBE, Mr R J Phillips, Mrs J Potter, Mr C B Taylor, Mr P A Tuthill, Mr R M Udall

### 81 Apologies for Absence

Apologies were received from Dr C A Hotham.

### 82 Named Substitutes

There were no named substitutes.

### 83 Declarations of Interest (if any)

In relation to agenda item 6 (Minute 84 - Treasury Management Activities 2016/17) Mrs E Eyre BEM declared she was a trustee of LAMIT.

In relation to agenda item 7 (Minute 85 - Firefighters Pension Schemes - Voluntary Scheme Pays (VSP)) Mr R J Phillips declared he was a member of the Fire Scheme Advisory Board and also a member of the Fire NJC (employers).

### 84 Confirmation of Minutes

**RESOLVED** that the minutes of the meeting of the Policy and Resources Committee held on 22 March 2017 be confirmed as a correct record and signed by the Chairman.

The Chief Fire Officer informed Members that the PCC Business Case consultation results had just been released and updated Members accordingly.

**2017/18 Budget Monitoring - 1st Quarter**

Members were informed of the current position on budgets and expenditure for 2016/17 and noted the forecast revenue underspend of £0.138m.

Members' attention was drawn to the uniform staff pay award offer. They were informed that the 2% offer had been rejected by the representative bodies and a further announcement was awaited following reconsideration. The Treasurer explained that should the 2% award be accepted this would offset the previously identified underspend.

With regard to the Capital budget, Members requested an update on Hereford and Redditch fire stations and the Wyre Forest Emergency Services Hub. They were informed that Hereford is progressing well. There had been discussions with Herefordshire Council and the Police and construction was likely to be completed by 2020. For Redditch station, officers were awaiting confirmation that the Police would like to co-build. The site for the Wyre Forest Emergency Services Hub had been secured and it is hoped that the planning application would be submitted by Christmas this year and the build would commence at the beginning of 2018.

Members also queried the additional costs for the build of Evesham station and were assured that this was due to the ground contamination, however the overall costs were within budget.

**RESOLVED that the Committee note:**

- i) the forecast revenue underspend of £0.138m (-0.4%).
- ii) the budget risk regarding the pay award of £0.195m (+0.6%).

**Treasury Management Activities 2016/17**

Members were asked to review the Treasury Management Activities for 2016/17 and noted that the monitoring of the Prudential Indicators had demonstrated that the Authority had complied with its Treasury Management targets.

Members were pleased to note that there had been no additional borrowing requirement during the financial year and the balance that remained outstanding at the end of March 2017 was £12.637m.

**RESOLVED that the Committee agree the Prudential Indicators were within the limits set by the Authority in February 2017 and that there**

**are no matters that require further attention.**

**87 Firefighters Pension Schemes – Voluntary Scheme Pays (VSP)**

Members were asked to approve the implementation of a Voluntary Scheme Pays (VSP) arrangement in respect of Firefighters Pension Schemes.

Members queried if this was a National change and were informed that each Authority had discretion to approve the operation.

**RESOLVED that the Committee approve the operation of a Voluntary Scheme Pays (VSP) in relation to the Firefighters Pension Schemes.**

**88 Sale of Garway Hill Radio Mast**

Members were asked to approve the sale of the radio mast at Garway Hill, Herefordshire which is now surplus to the Authority's requirements.

Members were informed that although the Authority currently received a rental income for the site, the value of this is not guaranteed and there would be future maintenance liabilities if the mast is retained.

The Treasurer informed the Committee of the best offer received to date. Members agreed that it was in the Authority's best interests to dispose of the site and realise a capital receipt.

**RESOLVED that the site at Garway Hill be sold on terms representing the best overall offer to the Authority as agreed by the Head of Legal Services and the Treasurer.**

**89 People Strategy 2017-2020**

Members were presented with the People Strategy 2017-2020 and informed of the proposed implementation programme.

Members were advised that the Strategy represents a firm commitment to supporting and valuing our Service's workforce and that the Implementation Programme will be presented to the Audit and Standards Committee when available.

**RESOLVED that the People Strategy 2017-2020 and the proposed action areas to be included in the People Strategy Implementation Programme be noted.**

Members were provided with a summary of the Service's Quarter 1 performance against a comprehensive set of Performance Indicators agreed by the Senior Management Board (SMB).

There was particular discussion around retained availability, particularly Kidderminster, Bewdley and Droitwich stations. Members were advised that this was due to a number of personnel leaving the Service in 2017, however progress was being made to fill these positions. It was pleasing for Members to note that nationally the Service compares considerably well for availability.

There was also discussion around Community Risk issues and Members requested regular updates of the campaigns that are undertaken.

Members queried the reduction in attendance times. Officers confirmed that there was no national standard but the Service had set its own stretch target in 2012, which was currently being reviewed.

Members commented on the flooding incidents and were advised that the Service attends to domestic flooding incidents as an emergency but then passes to the appropriate utilities and authorities. Members were assured that flood prevention advice was given by the Service during Home Fire Safety Checks and during engagement with local businesses.

**RESOLVED that Members note the following headlines drawn from Appendix 1 relating to performance in Quarter 1, 2017-18:**

**i) A total of 1772 incidents were attended in Quarter 1, an increase of 5.6% (94 incidents) over the same period in 2016-17, and 7.9% (140 incidents) higher than the average for the last five years.**

**ii) The majority of the increase in Quarter 1 is accounted for by a rise in the numbers of Secondary Fire incidents, Special Service have stayed relatively constant while the number of False Alarm incidents are down:**

**a. Fires: an increase of 118 incidents for this period over the previous year is largely accounted for by an increase in Secondary outdoor Fires (up by 98 incidents) due to the warmer spring/early summer period.**

**b. Special Services: there was an increase of 2 incidents over the period. Most subcategories have actually reduced; these include**

**RTC's, Rescue/Evacuation from Water, Lift Release, Spills and Leaks (non-RTC) and Ring Removal. The areas in which increases have occurred are Flooding (4 incidents), Animal Assistance incidents (4 incidents), and Assisting other Agencies (15 incidents).**

**c. False Alarms: there was a decrease of 26 incidents overall when compared to the same period in 2016-17. Only a minor increase of the sub category of False Alarm Good Intent went up by 3 incidents.**

**iii) Overall Staff Sickness levels are 0.87 days lost per head, which remains within tolerance levels set (see paragraph 3 below) for Quarter 1.**

**v) The Service attended 60.6% (175 incidents) of Building Fires within 10 minutes in Q1 compared with 62.3% in the same period in 2016-17. The average time for the first fire appliance attendance at all building fires was ten minutes and eleven seconds.**

**vi) The overall availability of the first On-Call (Retained) fire appliance remains high at 91.2%; this has decreased by 3.2% compared to the same period in 2016-17.**

## **91 Update from the Joint Consultative Committee**

Members were informed of the activities of the Joint Consultative Committee since March 2017.

There was particular discussion around crewing systems and Members were advised that the Service was meeting with the Fire Brigades Union next week for further discussions. Members were advised that a further report to Members would be provided with the findings.

[Mr Fry left the room at 11.45am and re-entered the room at 11.48am]

**RESOLVED that the following items currently under discussion by the Joint Consultative Committee be noted:**

- i) A review of crewing systems.**
- ii) Relocation of Service Headquarters (SHQ) to Hindlip.**
- iii) Wyre Forest Hub.**

The Meeting ended at: 11:53

Signed:.....

Date:.....

Chairman



Hereford & Worcester Fire Authority

Policy and Resources Committee

Wednesday, 22 November 2017, 10:30

## Minutes

**Members Present:** Mr R C Adams, Mr T D Baker-Price, Mr B Clayton, Mrs E Eyre BEM, Mr A Fry, Dr C A Hotham, Mrs F M Oborski MBE, Mrs J Potter, Mr C B Taylor, Mr P A Tuthill

### 92 Apologies for Absence

Apologies were received from Mr R Phillips and Mr B Baker.

### 93 Named Substitutes

There were no named substitutes.

### 94 Declarations of Interest (if any)

There were no interests declared.

### 95 Confirmation of Minutes

**RESOLVED that the minutes of the meeting of the Policy and Resources Committee held on 20 September 2017 be confirmed as a correct record and signed by the Chairman.**

### 96 PCC Business Case

In the absence of the Chairman of the Fire Authority, the Vice-Chairman Mr P Tuthill provided Members with a verbal update on the PCC's Business Case.

Members were reminded that the PCC had submitted a revised business case direct to the Home Office and this was now being reviewed by CIPFA. Following a meeting with the Chairman of Shropshire & Wrekin Fire and Rescue Authority, the Leaders of the Constituent Authorities had



again requested the two Fire Authorities to engage the consultants to review the revised business case due to concerns about the potential impact this could have on the delivery of fire and rescue services and that the evidence then be fed into CIPFA for further consideration.

The Treasurer confirmed that the cost could be met from underspends elsewhere in the existing budget.

**RESOLVED that the Authority contribute up to £10,000, shared between the two authorities, to support the cost of the consultants' review for the revised business case.**

## **97            2017/18 Budget Monitoring – 2nd Quarter**

Members were informed of the current position on budgets and expenditure for 2017/18 and noted the forecast revenue underspend of £0.278m and the in budget risk regarding the uniform staff pay award of £0.195m.

There was particular discussion around property issues; namely Redditch Fire Station and Wyre Forest Hub and Members were pleased to note that both projects were progressing as expected.

With regard to the Capital budget, Members requested a breakdown of each future project. The Treasurer confirmed that this would be provided to Members separately following the meeting.

With regard to Treasury Management, Members queried the borrowing and investment percentage rates and were happy with the information provided by the Treasurer.

**RESOLVED that the Committee:**

- (i)     note the forecast revenue underspend of £0.278m (-0.9%); and**
- (ii)    note the in budget risk regarding the uniform staff pay award £0.195m (+0.6%).**

## **98            Medium Term Financial Plan (MTFP) Update**

Members were informed of the current Medium Term Financial Plan and noted that a further report will be brought to the Committee when the key funding information has been made available.

Members asked if there were any further grants available from government and were advised by the Treasurer that all that was available

was what they had already received for the Headquarters move and the Wyre Forest Hub.

**RESOLVED that the current resources position be noted and a further report be brought to the Committee when the key funding information has been made available.**

**99            Review of Cost Recovery for Chargeable Special Services – 2017/18**

Members were asked to consider an increase in the cost recovery based charges made for certain operational non-emergency special services, in line with the rising costs incurred by the Authority.

Members queried how often these services were used and were advised that the number of lift rescues, in particular, had dropped as companies were now taking on better maintenance. Members were also reminded that the charging is not for attendance at an emergency, but charges could be made for any subsequent recovery phase, such as any clean up requested by the Environmental Agency.

Members noted that the level of charges had to be based on cost recovery and could not include a profit element. Members also noted that the fees would be reviewed in February 2018 for 2018/19 and annually thereafter.

**RESOLVED that:**

**i)    the fees for chargeable operational non-emergency special services be revised as set out in Appendix 1 of the report with immediate effect;**

**ii)   in future this item be considered annually as part of the Annual Budget and Precept report to the Fire Authority.**

**100          2017-18 Performance Report: Quarters 1 & 2**

Members were provided with a summary of the Service's Quarters 1 and 2 performance against a comprehensive set of Performance Indicators agreed by the Senior Management Board.

There was particular discussion in relation to retained availability at Kidderminster Fire Station. Members were advised that this was due to an unprecedented number of leavers, however, recruitment was currently underway. Members were assured that the Service's resources were being appropriately distributed during this time.

With regard to parking problems for fire engine access, Members requested to help the Service by issuing campaign leaflets. It was agreed that Members would receive the leaflet for their use once it had been finalised.

Members queried the data regarding attendance times at building fires and it was agreed that the figures needed to be adjusted as there were some inaccuracies.

**RESOLVED that Members note the following headlines drawn from Appendix 1 of the report relating to performance in Quarter 1 & 2, 2017-18:**

**i) A total of 3617 incidents were attended in Quarters 1 & 2, an increase of 0.3% (11 incidents) over the same period in 2016-17, and 4.4% (159 incidents) higher than the average for the last five years.**

**ii) The majority of the increase in Quarters 1 & 2 can be accounted for by a rise in the numbers of Secondary Fire incidents (primarily with a spike in Q1, in isolation Q2 is lower than the same period of 2016-17). Special Service incidents have increased slightly, whilst False Alarms were down (72 incidents):**

**a. Fires: an increase of 59 incidents for this period over the previous year is largely accounted for by an increase in Secondary outdoor Fires (up by 54 incidents) due to the warmer summer period.**

**b. Special Services: there was an increase of 24 incidents over the period. Most subcategories have increased slightly; these include Road Traffic Collisions (RTCs), assisting other Agencies, Rescue/Evacuation from Water, Spills and Leaks (non-RTC) and Ring Removal. The areas in which decreases have occurred are lift releases (9 incidents).**

**c. False Alarms: there was a decrease of 72 incidents overall when compared to the same period in 2016-17. Only a minor increase of the sub-category of Malicious False Alarms went up (7 incidents).**

**iii) Overall Staff Sickness levels are 2.90 days lost per head, which is outside of tolerance levels set (see paragraph 3 below) for Quarter 1 & 2.**

**iv) The Service attended 60.8% (344 incidents) of Building Fires within 10 minutes in Quarters 1 & 2 compared with 62.5% in the same period in 2016-17. The average time for the first fire appliance attendance at all building fires was nine minutes and forty two**

**seconds.**

**v) The overall availability of the first On-Call (Retained) fire appliance remains high at 89.5%; however this has decreased by 1.6 % when compared to the same period in 2016-17.**

The Meeting ended at: 11:57

Signed:.....

Date:.....

Chairman



Hereford & Worcester Fire Authority

Appointments Committee

Wednesday, 22 November 2017,09:45

## **Minutes**

**Members Present:** Mr A Fry, Dr C A Hotham, Mrs F M Oborski MBE, Mr C B Taylor, Mr P A Tuthill

### **5 Apologies for Absence**

Apologies were received from Cllrs R.J. Phillips (Chairman) and M. Hart.

In the absence of the Chairman, Cllr P. A. Tuthill (Vice-Chairman) chaired the meeting.

### **6 Declarations of Interest (if any)**

No interests were declared.

### **7 Confirmation of Minutes**

The minutes of the meeting held on 26 May 2016 were confirmed as a true record.

### **8 Principal Officer Salaries**

The Committee had previously met on 26 May 2016 to consider the options for the appointment of a Chief Fire Officer. It was agreed at that meeting for there to be no change to the remuneration package of the Chief Fire Officer post and for a review of the salary to be undertaken within 12 months of the new appointment.

In accordance with the previous Committee decision made in May 2016, the Committee considered a report from the Head of Legal Services with regards to a review of the salary of the Chief Fire Officer (and by extension, that of other Principal Officers).

The Head of Legal Services provided a comparison of salaries in other

fire and rescue services to assist the Committee in undertaking the formal review.

**RESOLVED that:**

***(i) there be no changes made to salary of the Chief Fire Officer at this time;***

***(ii) the Chief Fire Officer and other Principal Officers continue to receive annual pay awards (if any) as recommended by the National Joint Council; and***

***(iii) a further review be undertaken in 2 years time.***

The Meeting ended at: 09:50

Signed:.....

Date:.....

Chairman