



HEREFORD & WORCESTER Fire Authority

Policy and Resources Committee

AGENDA

Wednesday, 27 January 2016

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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- the right to attend all Authority and Committee meetings unless the business to be transacted would disclose “confidential information” or “exempt information”;
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- the right to inspect minutes of the Authority and Committees for up to six years following the meeting (available on our website: <http://www.hwfire.org.uk>); and
- the right to inspect background papers on which reports are based for a period of up to four years from the date of the meeting.

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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
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FIRE AND RESCUE SERVICE

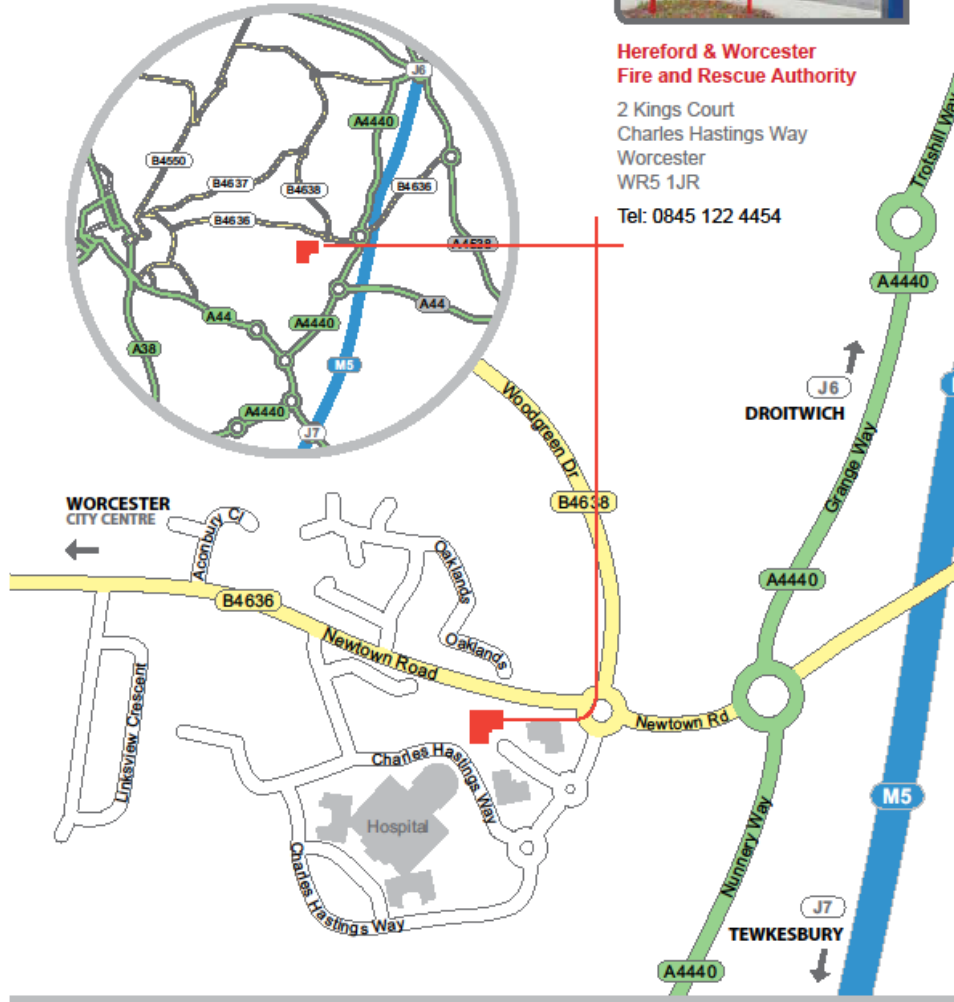
Service Headquarters



**Hereford & Worcester
Fire and Rescue Authority**

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Hereford & Worcester Fire Authority

Policy and Resources Committee

Wednesday, 27 January 2016, 10:30

Agenda

Councillors

Mr C B Taylor (Chairman), Mr R C Adams (Vice Chairman), Mr B A Baker, Mrs E Eyre, Mr A Fry, Ms R E Jenkins, Mr J L V Kenyon, Mrs F M Oborski MBE, Mr R J Phillips, Mr D W Prodger MBE, Mr J W R Thomas, Mr P A Tuthill, Mr R M Udall

No.	Item	Pages
1	Apologies for Absence To receive any apologies for absence.	
2	Named Substitutes To receive details of any Member of the Authority nominated to attend the meeting in place of a Member of the Committee.	
3	Declarations of Interest (if any) This item allows the Chairman to invite any Councillor to declare an interest in any of the items on this Agenda.	
4	Confirmation of Minutes To confirm the minutes of the meeting held on 16 November 2015.	7 - 10
5	Treasury Management Activities 2014/15 To review Treasury Management Activities for 2014/15.	11 - 20

6	Budget 2016/17 and Medium Term Financial Plan (MTFP)	21 - 31
	To review the current position in relation to budgets for 2016/17 and beyond, and to make recommendations to the Fire Authority.	
7	Task and Finish Group for Vehicle Fleet Capital Programme	32 - 34
	To request approval to set up a Task and Finish Group to examine the Vehicle Fleet Capital Programme.	
8	Removal of Incident Response Unit for Mass Decontamination	35 - 37
	To report that following a national review, it has been determined that 22 National Resilience Incident Response Units (IRU) provided for mass decontamination across the County, including the one currently stationed within Hereford & Worcester, are no longer required and will no longer be funded by Government.	
9	West Mercia Police and Warwickshire Police Operations and Communications Centre (OCC) Programme	38 - 41
	To inform Members of the progress of the West Mercia Police and Warwickshire Police Operations and Communications Centre (OCC) programme and to seek approval for the relocation of the HWFRS Fire Control to Hindlip Park.	
10	Health and Safety Committee Update	42 - 50
	To provide the Policy and Resources Committee with an update on the activities and items of significance from the Service's Health and Safety Committee.	



Hereford & Worcester Fire Authority

Policy and Resources Committee

Monday, 16 November 2015, 10:30

Minutes

Members Present: Mr R C Adams, Mr D W Prodger MBE, Mr C B Taylor, Mr P A Tuthill, Mr A Fry, Mr R M Udall, Ms R E Jenkins, Mrs F M Oborski MBE, Mr J W R Thomas, Mr R J Phillips

Substitutes: none

Absent: Mr J L V Kenyon

Apologies for Absence: Mr B A Baker, Mrs E Eyre

Declarations of Interest: none

32 Confirmation of Minutes

RESOLVED that the minutes of the Policy and Resources Committee held on 14 September 2015 be confirmed as a correct record and signed by the Chairman.

33 2015/16 Budget Monitoring - 2nd Quarter

Members were informed of the current position on budgets and expenditure for 2015/16.

With regard to the Revenue budget, Members' attention was drawn to the additional savings arising from an underspend of RDS pay, the firefighters pay award being settled at 1% and savings from the reduction of our workforce.

With reference to the Capital budget, Members were advised that the total budget was £14.649m, expenditure of only £1.499m had been incurred with a further £1.439m committed by way of orders. Members were also advised that the Authority had not given full approval for the Redditch and Hereford Fire Station schemes included in the budget and £0.784m remained as unallocated minor schemes.

Members were disappointed with the delay on building projects for Hereford and Redditch, however understood that due to a capacity issue, this would progress further now that Place Partnership Limited had been established.

RESOLVED that the forecast revenue underspend of £0.792m be noted.

34 Quarter 2 Performance Report 2015-16

Members were provided with a summary of Quarter 2 performance against the Fire Authority's Annual Plan 2015-16 using the set of Key Performance Indicators (KPIs) agreed by the Senior Management Board.

Members' attention was drawn to the highlights of performance which were detailed in the recommendation.

Concern was raised over the increase of RTCs and attendance standards.

At 11.00 am a one minute silence was held in honour of the victims of the tragic events in Paris.

RESOLVED that Members note the following headlines taken from Appendix 1 relating to performance in Quarters 1 and 2 2015-16:

i) The total number of incidents attended in Quarters 1 and 2 2015-16 has seen an overall increase of 3.4% (111 incidents) in comparison to the same two quarters in 2014-15.

ii) A rise in Fire incidents by 12.7% (121 incidents) accounts for the largest proportion of the overall increase, with a seasonal increase in Secondary Fires during the summer months, particularly grassland, woodland and crop fires, accounting for over three-quarters of the increase.

iii) The Service attended the second lowest number of Special Service incidents in the 9 years since our records began, which is 11.2% lower than the 5 year average.

iv) False Alarms incidents also recorded the second lowest number attended since records began, which is 4.7% lower than the 5 year

average.

v) Sickness levels for all staff have remained within tolerance levels for Quarter 1 and 2.

vi) The Service attended 57% of Building Fires within 10 minutes, compared to 57.4% in the same period in 2014-15.

vii) Retained 1st appliance availability has improved since Quarter 1 2014-15 at 94.1% compared to 90.5%.

35 Sky Lanterns

Members were provided with an update on the local and national initiatives aimed at reducing the risks associated with the use of sky (Chinese) lanterns and asked to adopt the CFOA policy statement as the Fire Authority's position on the matter.

During discussions, Members requested that sky lanterns be banned at Fire Authority premises and suggested a press release be published.

RESOLVED that:

i) a policy on the issue of sky (Chinese) lanterns be approved in accordance with the Chief Fire Officers Association (CFOA) position statement on Chinese lanterns, dated July 2013;

ii) the use of sky lanterns at Fire Authority premises be banned; and

iii) the matter be drawn to the attention of District Councils and Parish Councils (via CALC).

36 Health and Safety Committee Update

Members were updated on the activities and items of significance from the Service's Health and Safety Committee.

Members' attention was drawn to the list of Health and Safety events detailed at Appendix 1.

RESOLVED that the following issues, in particular, be noted:

(i) Health and Safety performance for Quarter 1 of year 2015-16 (Apr – Jun 2015); and

(ii) the involvement of the Service in a number of Health and Safety initiatives at national level.

The Meeting ended at: 11:28

Signed:.....

Date:.....

Chairman

Report of the Treasurer

5. Treasury Management Activities 2014/15

Purpose of report

1. To review Treasury Management Activities for 2014/15.
-

Recommendation

The Treasurer recommends that Members agree the Prudential Indicators were within the limits set by the Authority in February 2015 and that there are no matters that require further attention.

Introduction and Background

2. The Local Government Act 2003 (the Act) and supporting regulations requires the Authority to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Authority's capital investment plans are affordable, prudent and sustainable.
3. The revised guidance issued in November 2011 makes it clear that investment priorities should be security and liquidity, rather than yield and that authorities should not rely solely on credit ratings, but consider other information on risk.
4. In accordance with both the Chartered Institute of Public Finance and Accountancy's Treasury Management Code of Practice, and current Fire Authority Financial Regulations the Treasury Management Activities are reviewed by Members twice a year.

Treasury Management Activities

5. Treasury Management is about managing the Authority's cash flow and investments to support its finances for the benefit of the Public and the Services that it provides. These activities are structured to manage risk foremost and then optimise performance.
6. The Treasury Management function strives to ensure the stability of the Authority's financial position by sound debt, cash and risk management techniques. The need to minimise risk and volatility is constantly addressed whilst aiming to achieve the treasury management objectives.
7. Banking arrangements and the Treasury Management functions for the Authority, in respect of lending and borrowing, are carried out by Worcestershire County Council under a Service Level Agreement. All Authority funds are

invested or borrowed by the County Council in accordance with their Treasury Management Strategy, this means that the Authority is subjected to the same levels of risk and return as the County Council. A copy of the relevant Treasury Management Strategy for 2014/15 is included at Appendix 2.

8. At 31 March 2014 the Authority had long-term debt totalling £14.471m, £0.500m of this debt was repaid during the financial year (2014/15). There has been no additional borrowing requirement during this financial year, so the balance that remains outstanding at the end of March 2015 is £13.971m.
9. Surplus cash is invested on a day-to-day basis under a Service Level Agreement with Worcestershire County Council. The average interest rate achieved for the second half of the period was 0.40%.
10. As part of the defined investment risk strategy Authority funds are currently deposited with the Bank of England and other organisations deemed to be low risk, such as other Local Authority Bodies, WCC Treasury Management keeps this policy under constant review. With the downgrading of several large financial institutions, to comply with the AA credit rating required by the Treasury Management Strategy, which ensures the continued reduction of risk exposure, there are now fewer financial institutions available where investments can be made which increases reliance upon the Bank of England.
11. Historically performance has been measured against the “7-Day London Inter-bank Bid Rate” (LIBID) as a benchmark. However, the very low risk strategy evolved for Authority investment means that at present this measure is less meaningful. The relevant figure for the second half of 2014/15 was an average of 0.36%.
12. However, with investment rates remaining as low as they currently are, a less prudent risk strategy would not greatly increase the expected yield whilst significantly increasing the associated risk.

Prudential Indicators

13. In considering the budget and precept for the year the Authority approves indicators and limits in respect of capital expenditure, borrowing and revenue consequences.
14. These are set by the Authority, as part of the overall budget setting process, in February prior to the start of the financial year.
15. Appendix 1 sets out the relevant indicators as approved and as they out-turn, and demonstrates that they are within the limits of the Medium Term Financial Plan.

Conclusion/Summary

16. The SLA with the County Council and the implied use of its Strategy Statement ensures that the Authority invests its resources within a robust and effective framework to deliver a maximum return on investments within a secure environment. The monitoring of the Prudential Indicators has demonstrated that the Authority has complied with its Treasury Management targets.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	None
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	None
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	None
Consultation (identify any public or other consultation that has been carried out on this matter)	None
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	None

Supporting Information

Appendix 1 – Prudential Indicators 2014/15 Outturn

Appendix 2 – Treasury Management Strategy 2014/15 – Worcestershire County Council (relevant extract)

Contact Officer

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Prudential Indicators 2014/15 Out-turn**Introduction**

The Prudential Code for Capital Finance in Local Authorities (Prudential Code) has been developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) to provide a code of practice to underpin the new system of capital finance embodied in Part 1 of the Local Government Act 2003.

The key objectives of the Prudential Code are to ensure that capital investment plans are affordable, prudent and sustainable.

The Prudential Code supports a system of self-regulation that is achieved by the setting and monitoring of a suite of Prudential Indicators that directly relate to each other. The indicators establish parameters within which the Authority should operate to ensure the objectives of the Prudential Code are met.

Prudential Indicators

The Prudential Indicators for which the Authority is required to set limits are as follows:

1. Capital Expenditure

The actual amount of capital expenditure that was incurred during 2014/15 was as follows:

	2014/15 Original Feb 2014 £m	2014/15 Forecast Feb 2015 £m	2014/15 Actual £m
Capital Expenditure	7.000	6.759	4.809
Operationally Leased Assets	0.000	0.313	0.355
	11.959	11.064	5.164

Actual capital expenditure is lower than that originally anticipated due to the following reasons:

- The vehicle replacement programme and minor capital projects was put on hold pending the outcome of the CRMP.
- Delays on major building projects.

2. Ratio of Financing Costs to Net Revenue Stream

Financing Costs include the amount of interest payable in respect of borrowing or other long term liabilities and the amount the Authority is required to set aside to repay debt, less interest and investments income.

The actual Net Revenue Stream is the 'amount to be met from government grants and local taxation' taken from the annual Statement of Accounts, and the estimated figure is the Authority's budget net of any transfers to or from the balances.

The indicator only requires that the costs associated with capital expenditure are measured in this way. However the Authority has used, and may continue to use Operational Leasing as a cost effective method of acquiring vehicles. In the spirit of the Prudential Code these costs are included for comparative purposes.

	2014/15 Original Feb 2014	2014/15 Forecast Feb 2015	2014/15 Actual
	£m	£m	£m
Financing Costs	2.715	2.215	1.999
Net Revenue Stream	31.366	31.366	31.366
Ratio	8.66%	7.06%	6.37%

3. Capital Financing Requirement

The capital financing requirement is a measure of the extent to which the Authority needs to borrow to support capital expenditure. It does not necessarily relate to the actual amount of borrowing at any one point in time. The Authority arranges its treasury management activity via a Service Level Agreement (SLA) with Worcestershire County Council (WCC) which has an integrated treasury management strategy where there is no distinction between revenue and capital cash flow, and the day to day position of external borrowing and investments can change constantly.

The capital financing requirement concerns only those transactions arising from capital spending, whereas the amount of external borrowing is a consequence of all revenue and capital cash transactions combined together following recommended treasury management practice.

	Original Feb 2014	Forecast Feb 2015	Actual
	£m	£m	£m
Capital Financing Requirement (CFR) 31 March 2015	20.685	20.107	17.859

4. Authorised Limit

The Authorised Limit represents an upper limit of borrowing that could be afforded in the short term but may not be sustainable.

5. Operational Boundary

The Operational Boundary represents an estimate of the most likely, prudent, but not worst case scenario and provides a parameter against which day to day treasury management activity can be monitored.

The limits for these indicators set for 2014/15 and the final out-turn are given below, and it can be confirmed that the out-turn figure represents the maximum borrowing at any point in the year, i.e. the Authorised limit was not exceeded.

	2014/15 £m
Authorised Limit	28.000
Operational Boundary	26.000
Actual Borrowing 31 March 2015	13.971

6. Fixed Interest Rate Exposures

The Authority set an upper limit on its fixed interest rate exposures as follows:

Fixed Interest Rate Exposure	2014/15 £m
Upper Limit	28.000
Actual Borrowing 31 March 2015	13.971

7. Variable Interest Rate Exposures

The Authority set an upper limit on its variable interest rate exposures, however all current borrowing is at fixed rates.

8. Maturity Structure of Borrowing

The upper and lower limits for the maturity structure of borrowings are as follows:

Period of Maturity	Lower Limit	Upper Limit	Actual
Under 12 months	0.000	3.493	0.834
12 months and within 24 months	0.000	3.493	0.500
24 months and within 5 years	0.000	6.986	2.000
5 years and within 10 years	0.000	10.478	5.149
10 years and above	3.493	13.272	5.488

Treasury Management Strategy 2014/15

Background

In accordance with the Council's Treasury Management Practices (TMPs) and The Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management in the Public Services: Code of Practice the Council is required to approve the Treasury Management Strategy and Annual Investment Strategy for 2014/15. The Treasury Management Strategy is reflected in the Personal Assurance Statement given by the Director of Resources concerning the 2014/15 budget calculations.

Treasury management is undertaken by a small team of professionally qualified staff within the Resources Directorate.

In addition the Council employs Treasury Management advisors, Arlingclose, who provide information and advice on interest rate movements which is used to inform borrowing and investment decisions. The advisors have been engaged on a fixed term basis after a tendering procedure that concluded in July 2013.

Relevant information is also obtained from other financial commentators, the press and seminars arranged by other organisations, for example CIPFA and the Local Government Association.

Information received from these different sources is compared in order to ensure all views are considered and there are no significant differences or omissions from information given by the Council's advisors.

All Treasury Management employees take part in the Council's Staff Review and Development scheme, where specific individual training needs are highlighted training in Treasury Management activities and networking opportunities provided by both professional and commercial organisations are taken up where appropriate.

During 2013/14 the County Council has invested its surplus cash with selected UK Banks, selected Money Market Funds, the UK Debt Management Office and with other local authorities.

Economic Commentary

During 2013 there has been an improvement in business and consumer sentiment.

2013 has seen the strongest growth of any calendar year since the banking crisis, with growth of 0.4% in Q1, 0.7% in Q2 and 0.8% in Q3. However the slow increase in employment and continued weakness in the Eurozone, where the UK does much of its trade, is likely to counter growth accelerating further.

Inflation continues to moderate, with the CPI for November 2013 coming in at 2.1%, only just above the Bank of England's 2% target. Lower transport costs have been the key driver behind the recent fall. Higher energy costs in the pipeline are expected to put upward pressure on inflation in the immediate future. However if inflation continues to moderate, then real household incomes may begin to rise for the first time in a number of years, aiding consumer spending. CPI in December was 2.0%

Activity in the US continues to pick-up at a higher rate still than the UK, with the prospect of tightening monetary policy during 2014. The continued stand-off between the White House and Congress over the budget is a concern however.

The Eurozone economies continue to lag behind the recovery seen elsewhere, with renewed concern over France's economy outweighing an improving situation in Ireland and Spain. On the positive side agreement is close on a new banking resolution mechanism that will lessen the impact on taxpayers of any future banking crises.

The UK bank base rate has remained at the historically low level of 0.5% throughout the year. The Bank of England, under its new governor Mark Carney, has issued forward guidance which sets out the conditions under which the Bank of England will consider tightening Monetary Policy again. One key measure is the unemployment rate falling back to 7% or lower. The Bank's own forecasts suggest that the base rate should not increase until Q4 2016, in spite of recent data and market expectations for an increase in Q4 2014.

Bank of England forward guidance is not set in stone and it can be altered if the recovery stalls, or if inflation becomes an issue again.

The Council's Treasury Management Advisors, Arlingclose agree with the Bank of England's forecasts for the base rate to remain at 0.5% until Q4 2016. They have stated there are upside risks to this forecast though and these increase towards the end of the forecast period.

In November 2012, the Public Works Loans Board (PWLB) launched the new "Certainty rate", which in exchange for summary information of the council's medium-term borrowing plans being submitted to HM Treasury, has given the council access to borrowing rates of 0.2% below those which would otherwise be available over all maturity periods. Rates applicable to early repayment of debt remain the same with the difference between these two sets of rates such that opportunities to reschedule debt are considerably limited.

Treasury Management Strategy

The Prudential Code for Capital Finance requires the Council to set a number of Prudential Indicators. The Treasury Management Strategy has been developed in accordance with these indicators.

Borrowing Strategy

The outlook for borrowing rates is currently difficult to predict. Fixed interest borrowing rates are based on UK gilt yields, which due to a recovering economy, have increased in recent months and are expected to continue to do so over the medium term. This is due to investors being more comfortable investing in riskier assets and selling gilts to seek higher returns.

The Council's Treasury Management advisors have produced forecasts which suggest that rates over all periods of borrowing will increase slowly during 2014/15, and continue to do so in future years. Rates on loans of 5 years are forecast to be around 2.5% while rates on longer term loans are expected to be around 4.5% by the end of 2014/15.

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with external debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure.

The strategy will be to borrow in order to replenish a proportion of the reserves and cash balances used to support capital expenditure since October 2008. This will mitigate any interest rate risk in that borrowing and will be taken before borrowing rates increase significantly. The timing of the borrowing will depend on cashflow requirements and forecast future developments and on interest rate movements and the forecast for those future movements. A mixture of shorter and longer-term loans will be taken in order to fit with the Council's debt maturity profile.

Interest rates will be monitored but as forecasts stand it is likely that borrowing will be undertaken towards the final third of the financial year.

The gross capital borrowing requirement for 2014/15 is estimated to be £53.9 million. After the use of the minimum revenue provision to repay debt of £16.8 million, the net capital borrowing requirement is estimated to be £37.1 million.

The management of the Council's debt will be exercised in the most efficient manner taking into account maturing debt. The opportunity will be taken to reschedule any outstanding debt if rates are favourable, and make savings in the revenue budget. The cost of external interest of maintaining the council debt is estimated to be £15.1 million in 2014/15.

In addition to its usual borrowing activity, the Council will be undertaking a project with Mercia Waste, to provide finance for the construction of an Energy Plant. Further details are given below in the paragraph titled "Energy from Waste".

Annual Investments Strategy

The Council's Investment Strategy has been drawn up having regard to both the Communities and Local Government's Guidance on Local Authorities Investments and the CIPFA Treasury Management in Public Services Code of Practice and CIPFA Cross-Sectoral Guidance Notes. This strategy will be revised and presented to Council if changes occur outside those envisaged within this strategy.

The policy objective for the Council is the prudent investment of its cash balances. The investment priorities are firstly the security of capital (protecting sums from capital loss) and secondly the liquidity of investments (ensuring cash is available when required). Only when these two priorities are met will the third, of achieving the optimum return on investments, be taken into account.

The Council will not borrow money purely to invest. The Council will only borrow up to 12 months in advance of cash being required to fund its capital expenditure and the amount borrowed will not exceed the annual borrowing requirement.

The investments, which the Council are able to use for the prudent management of cash balances are categorised as 'Specified Investments' and 'Non-Specified Investments'.

A Specified Investment offers high security and high liquidity, must be in sterling and have a maturity date of less than a year. Any Specified Investment must be with the United Kingdom Government, a local authority in England or Wales or a similar body in Scotland or Northern Ireland, a parish or community council, a AAA rated Moneymarket Fund, a bank which is part-owned by the UK Government, or with a body of high credit quality. The Council defines a body of high credit quality as counterparties who achieve ratings with all three rating agencies as described in the table below.

Agency:	Long-Term:	Short Term:
Fitch	AA	F1+
Moody's	Aa2	P-1
Standard and Poors	AA	A-1+

Non Specified Investments have a range of vehicles not covered by the definition of Specified Investments, which are set out in the Treasury Management Practices (TMPs) and generally carry more risk. Only investments where there is no contractual risk to the capital invested and where the rate of return justifies their use will be entered into. The only category of Non Specified investment identified for use for the coming financial year is a routine term investment with a counterparty as described above for Specified Investments, for a period of more than one year. This type of investment will be considered when rates are favourable and cash balances allow. The Council's prudential indicators allow no more than £5 million to be invested in this category.

The credit ratings of Fitch, Moody's and Standard and Poors are monitored at least weekly, ratings watches and downgrades are acted upon immediately. Any other information that is deemed relevant to the creditworthiness of any Counterparty will be acted upon, in line with the revised code issued in 2009.

During 2013, the Council changed its banking services provider to Barclays and it may hold cash within its current account overnight as a transactional control to mitigate against the risk of going overdrawn and incurring penalty and interest charges. On limited occasions the Council may also leave funds in this account when the amounts involved are too small to invest elsewhere economically or practically. These balances are considered as cash or cash equivalents and not investments.

The Council will aim to have not less than 50% of its investments returnable within 28 days with at least 20% within 7 days.

Report of the Treasurer

6. Budget 2016/17 and Medium Term Financial Plan (MTFP)

Purpose of Report

1. To review the current position in relation to budgets for 2016/17 and beyond, and to make recommendations to the Fire Authority.
-

Recommendations

It is recommended that the Committee:

- *recommend that the Fire Authority increases council tax by £1.50 per year (1.96%) for 2016/17;*
- *recommend that the Fire Authority uses £0.960m of the earmarked reserve to smooth the impact of the accelerated grant reduction;*
- *recommend that the Fire Authority rephase £0.150m of the previously approved use of general balances from 2016/17 to 2017/18;*
- *agrees the budget planning assumptions set out in Appendix 1 to be recommended to the Fire Authority; and*
- *notes the remaining budget gaps set out in Appendix 2.*

Background

2. In February 2015 the FRA agreed a MTFP for 2015/16 to 2019/20 which identified annual cumulative savings of £3.346m by 2019/20.
3. This budget gap was based upon a number of estimates, and particularly in respect of the resource side was after a General Election and another Comprehensive spending Review (CSR).
4. Provisional information has now been received to finalise some of the figures in the resourcing side of the budget equation, specifically:
 - i. government grant; and
 - ii. Council tax-base growth.
5. Final Information on the following is expected towards mid/end of January (and may be available for a verbal update to the Committee on 27 January 2016):
 - i. final council tax-base - from billing authorities;
 - ii. council tax collection fund surpluses/deficits
 - iii. estimate of business rate income - from billing authorities; and

- iv. Confirmation of grants - from the Department of Communities and Local Government (DCLG).
6. The assumptions for future years (2017/18 onwards) are slightly less critical at this point in terms of setting the budget for next year, but it should be noted that the timescales for making major changes to expenditure levels within the Fire and Rescue Service are significant, and therefore decisions taken now will have an impact for future budget setting processes.

Review of Available Resources

7. The review of future resources can be split between grant, council tax precept and retained business rates.

Formula Grant

8. In determining grant allocations, Government now calculates a base-line figure including an estimate of our retained business rates. It then pays the difference between the two figures as grant.
9. In the absence of any other information the current MTFP assumptions for 2016/17 onwards were based on a continuation of the grant reduction trend seen over the 2013/14 to 2015/16 period.
10. The headline figure for reduction in the baseline had previously been used by government to provide a comparator to the pre-2013/14 local government financial arrangements, but is by definition a smaller figure than the actual cut in grant.

11. The MTFP assumptions are as below:

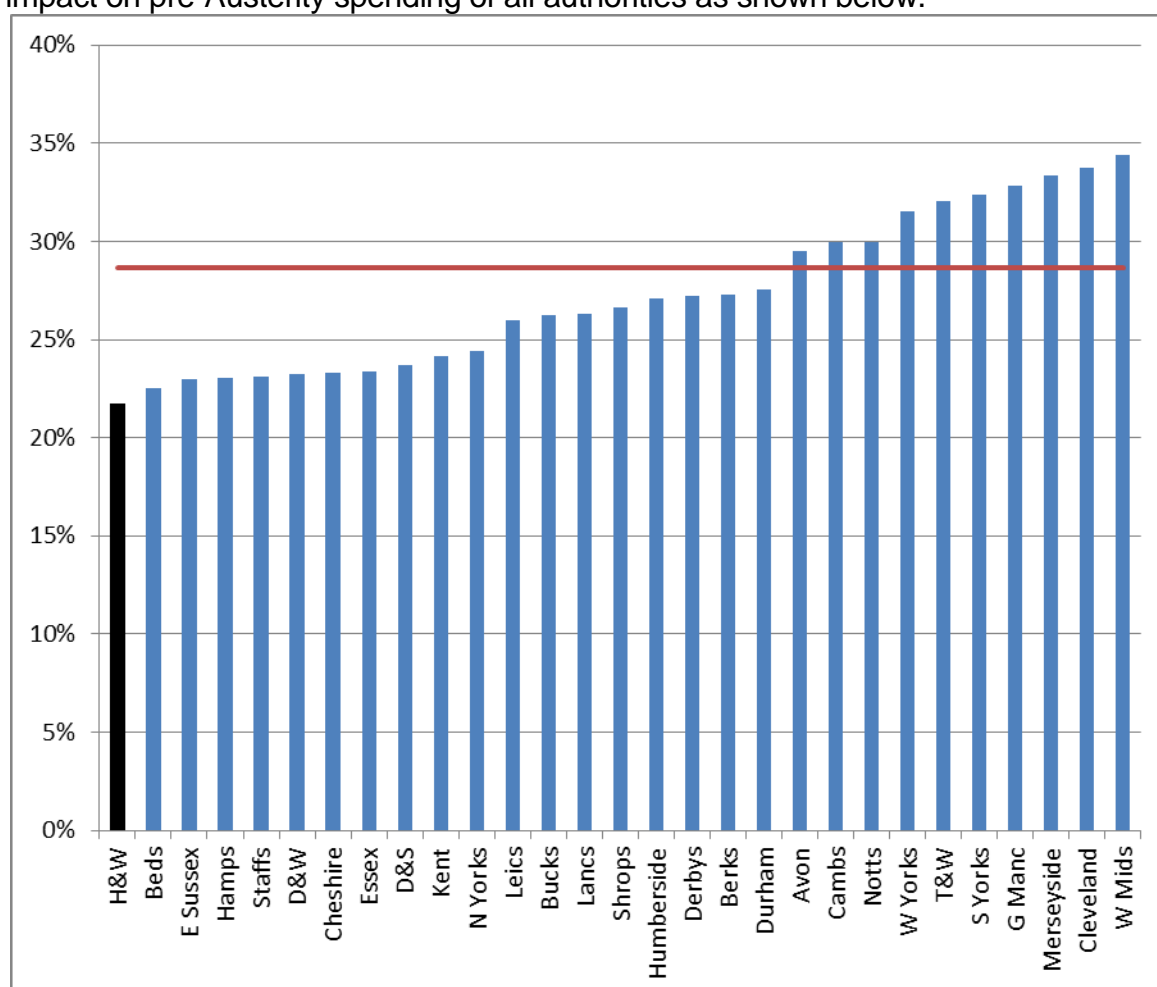
	2016/17	2017/18	2018/19	2019/20	OVERALL
reduction in baseline	-8.5%	-8.5%	-8.5%	-8.5%	-29.9%
a grant reduction of	-11.1%	-11.5%	-12.0%	-12.6%	-39.4%

12. In late December the provisional figures for 2016/17 to 2019/20 were announced, with an average reduction in baseline of 21.3% and grant of 29.4%.
13. The figures for H&W are much worse than this average being 28.4% baseline and 38.9% grant.
14. On the face of it this is marginally better than the MTFP assumption (worth an additional £0.046m in grant in 2019/20) but the position is worsened as the grant cuts are front loaded as below;

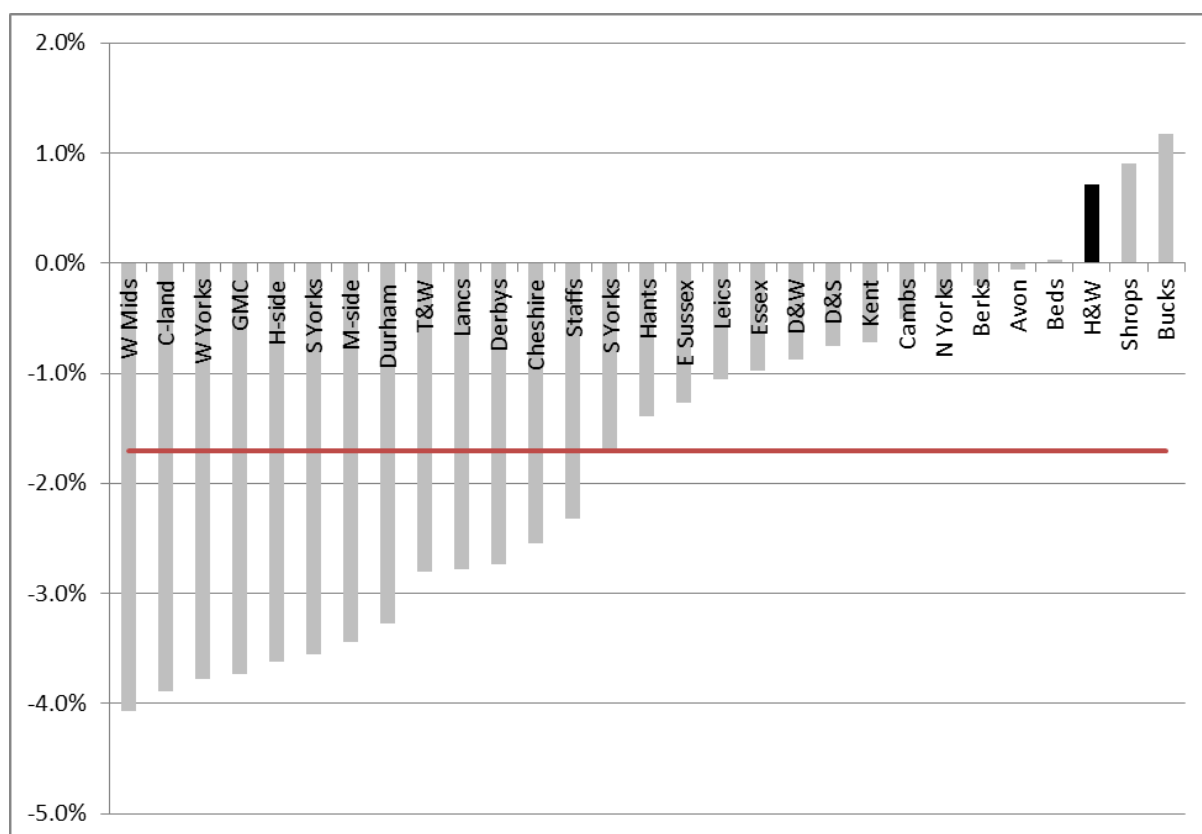
	2016/17	2017/18	2018/19	2019/20	OVERALL
MTFP	-11.1%	-11.5%	-12.0%	-12.6%	-39.4%
Settlement	-12.7%	-17.7%	-10.0%	-5.5%	-38.9%

which means that there are additional savings to be made in the earlier years, which total £1.096m.

15. Members will recall that as part of the Out-turn decisions for 2014/15 a sum of £1.185m was prudently earmarked for potential CSR differences. It is suggested that this is used to close this one off gap, leaving the 2019/20 medium term position unchanged.
16. It is not known exactly why this authority has fared so badly in relation to the average and only two authorities (Berks and Bucks) have bigger reductions. It is clear that Authorities that have a greater reliance on grant have had lower percentage reductions, as government has focussed on the grant cut as a percentage of overall budget.
17. This has been the subject of lobbying by such authorities and to some extent can be said to be unfair as it maintains the relationship between excessive grant allocations and low precept that existed pre-Austerity.
18. However, when making adjustments for the change in local government finance arrangements between 2010/11 and 2019/20 this Authority still has the lowest impact on pre-Austerity spending of all authorities as shown below.



19. Even when using the government's own measure of reduction in "spending power" over the period 2015/16 to 2019/20 this Authority does reasonably well, with an increase of 0.7% compared to an average reduction of 1.7%.



20. Whilst this measure assumes that the tax-base grows by the average of the last 2 years (1.8%) rather than the previous 8 years (0.8%) it does show a significant trend.

Precept

21. In approving the current MTFP in February 2015 the Fire Authority recommended assumptions of annual Band D increases of 2% and annual tax-base increases of 0.5%.
22. The tax-base assumption was subject to debate as although the average change in the prior two years (since the change in local government financing) was 1.8% the previous 8 year average was only 0.7%.
23. Although final tax-base figures are not yet available from billing authorities, earlier engagement has indicated an estimated 2016/17 increase of 1.84%, and future estimates averaging around 1.3%.
24. It is likely that, as a consequence of the 2016/17 increase, there will be another significant one-off collection fund surplus, but no details are yet available.
25. It is now considered that there is sufficient confidence in these figures to increase the future tax-base assumptions accordingly.

26. In respect of the Band D increase, the referendum limit for 2016/17 has been set at 2.0%. In order to ensure that there is no technical (or apparent) breach of this threshold an assumption of 1.96% is made for 2016/17 and continued into future years.

27. The net impact of this is to increase resources as below:

	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
Revised Band D	-0.008	-0.016	-0.024	-0.032
16/17 Tax-base	0.273	0.280	0.287	0.294
Future Tax-base	-	0.182	0.354	0.534
	0.265	0.446	0.617	0.796

Retained Business Rates

28. The Fire Authority now retains 1% of the Business Rates collected in the two counties, and there are two sources of estimated yield information:

- i. Government's baseline assessment – available now.
- ii. Estimates provided by the Billing Authorities (known as NNDR1), which will be provided at the end of January.

29. The Billing Authorities' estimation is complicated by three further factors:

- i. The necessity to make provision for backdated Appeals going back 5 years before the introduction of the retention scheme.
- ii. The aftermath of the backdating of GP surgeries appeals to the 2005 Valuation List.
- iii. The late introduction by government of rate relief which reduced the amount of rate collectable, but which resulted in additional special grant being paid to Authorities. Some of which have ended and some extended into 2016/17.

30. For 2016/17 the baseline figure has risen by only 0.8%, but the MTFP assumes that the yield will rise by 1.9% (in-line with previous years increase in base-line) estimate. If this is reflected in the NNDR1 estimates for 2016/17 it could result in a reduction in resource of around £0.030m.

31. Although there is now a much closer liaison with the Billing Authorities (and the County Council) on these matters, it remains a very complex subject and it is not yet clear what the NNDR1 estimates for 2016/17 will be.

32. The net impact of these changes is shown in Appendix 2 (*Line 9*) and is a net improvement of £0.664m by 2019/20.

Expenditure Requirement

33. The MTFP (see *Appendix 2: Line 1*) identified a budget gap of £0.300m in 2016/17 rising to £3.346m in 2019/20 and was based on resource estimates as outlined above, and assumptions about expenditure.

34. There are now a number of changes in respect of these expenditure forecasts, which are outlined below.
35. Ending of the contracted out rates of Employers National Insurance. Although it was included in the current MTFP the first year is 2016/17 not 2017/18 as previously included by error. This has a £0.380m impact in 2016/17 only as it was included in future years already.
36. Fire Control equipment maintenance costs increasing by £0.090m per year as a result of the extension of the contract and increasing age of equipment. This is offset to an extent by £0.080m per year of unrelated additional income.
37. The “Apprentice levy” on employers introduced in the Chancellors Autumn Statement an additional annual cost of £0.070m per year from 2017/18.
38. The budget for 2015/16 contained a provision for general inflation. Once again it has not been necessary to allocate this in total as the general level of inflation remains low and budget holders continue to restrain budgets. It is therefore possible to remove this un-allocated amount from the base budget saving £0.125m per year.
39. As this is the third consecutive year that this has been possible it is now considered prudent to reduce the future inflation provision, although this reduction has been restricted to two years only.
40. 2015 Pay Awards: Provision was made for a 2% award to all staff, but the reality was that Support staff required a 2 year award in 2014 and uniformed (grey book) staff of 1% from July. As a consequence there is a saving to the base budget of £0.275m per year.
41. Although the Chancellor has once again made the government’s policy on public sector pay increases for the CSR period very clear at a maximum of 1%, it is not entirely clear how this will translate to the fire sector as pay awards are negotiated independently of central government.
42. It has previously been considered prudent to provide a higher figure of 2% in the budget to reflect that after two years of pay freeze and four years at 1% there may be pressure for a significantly higher award. This caution is recommended to continue.
43. Capital Financing has been reviewed in light of experience over the last few years and a downward adjustment is possible.
44. The net impact of these changes is shown in Appendix (*Line 20*) and is a net improvement of £0.670m by 2019/20.

45. The net impact of these changes is summarised below:

	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
Budget Gap in MTFP	0.300	1.627	2.493	3.346
Change to Resources	(0.099)	0.056	(0.178)	(0.664)
Change to Net Expenditure	(0.310)	(0.720)	(0.720)	(0.670)
	(0.109)	0.963	1.595	2.012

46. If the CSR reserve (see paragraph 15) is used as recommended and the already approved use of the general balances is re-phased (see paragraph 56) the interim position is improved to:

	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
Residual Gap	(0.109)	0.963	1.595	2.012
Re-phasing of Balances	0.150	(0.150)		
CSR Reserve		(0.574)	(0.386)	
	0.041	0.239	1.209	2.012

Other Issues

47. For information, if the 2016 Pay Award is again at 1% rather than the 2% provided in the budget, the 2017/18 (and future) gap would reduce by a further £0.230m.
48. The projection does not include any savings from the transformational bid funded projects nor the revised Project Arrow review.
49. In approving the CRMP the Fire Authority provided funding for a two year provision of DCP for the second pumps at Hereford and Worcester stations. Whilst this arrangement is subject to review it would be prudent to include these costs in the MTFP, where they can of course be removed if the Authority decides that the arrangement is not cost effective.
50. The final budget gaps will therefore be:

2016/17	2017/18	2018/19	2019/20
£m	£m	£m	£m
0.041	0.393	1.363	2.166

Excess Staff

51. In anticipation of the need to reduce staff numbers significantly to meet the known budget pressures, and to try to meet the Authority's desire not to instigate redundancies of uniformed staff, Members will be aware that a budget reduction reserve was been created over the last few years to meet these potential costs.

52. In addition Senior Officers have identified and pursued options for staff to be temporarily seconded to neighbouring services to reduce cost pressures. With the active co-operation of the Authority's staff this will have delivered £1.8m net saving for the period 2014/15 – 2016/17.
53. The MTFP included provision to use this reserve to cover this additional cost over the period to 2019/20 with an anticipated £1.023m being left in the reserve by the end of that period.
54. With additional staff now being seconded and some staff transferring permanently as well as other unplanned leavers this residual is now expected to be £1.839m (of which £0.293m relates to 2015/16).
55. This position may be improved significantly if there is significant take up of the approved Voluntary Redundancy scheme.

General Balances

56. The current MTFP assumes the use of £0.300m of balances in 2016/17 and it is proposed to re-phase this as set out below. The budget requirement is based on the limiting factor of available resources.

	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
General Balances at 1 April	1.838	1.688	1.538	1.538
Approved Use	(0.300)			
Proposed Re-phasing	0.150	(0.150)		
General Balances at 31 Mar	1.688	1.538	1.538	1.538
Indicative Budget Requirement	31.784	31.243	31.274	31.631
% of Budget Requirement	5.3%	4.9%	4.9%	4.9%

57. 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 is more directly connected to local economic conditions.
58. Members will be aware that the last 2015/16 budget monitoring report identified potential savings of £0.792m but has yet to make a decision as to how this should be used.
59. 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.

Future Progress

60. Officers will continue to refine the budget figures and will receive final tax-base, collection fund figures and estimated business rate income.
61. The Fire Authority will meet on 17 February 2016 to agree a budget and precept for 2016/17.

Corporate Considerations

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

Supporting Information

Appendix 1 : Summary of Budget Assumptions

Appendix 2: Updated MTFP

Background Papers

FRA 18 February 2015: Budget and Precept 2015/16 and MTFP

Contact Officer

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Hereford & Worcester Fire Authority
Policy & Resources Committee: 27-Jan-2016
Budget Planning Assumptions

	2016/17	2017/18	2018/19	2019/20
Core Grant (reduction)	-12.70%	-17.70%	-10.00%	-5.50%
Council Tax-base (increase)	1.80%	1.35%	1.27%	1.25%
Council Tax Band D (increase)	1.96%	1.96%	1.96%	1.96%
Business Rate Yield (increase)	0.80%	1.90%	1.90%	1.90%
Pay Awards	2.00%	2.00%	2.00%	2.00%
General Inflation	2.00%	2.00%	3.00%	3.00%
Long Term Interest Rates	4.00%	4.00%	4.00%	4.00%

Hereford & Worcester Fire Authority
Policy & Resources Committee: 27-Jan-2016
Updated MTFP

		Col 2 2016/17 Forecast £m	Col 3 2017/18 Forecast £m	Col 4 2018/19 Forecast £m	Col 5 2019/20 Forecast £m
Line 1	Budget Gap in MTFP	0.300	1.627	2.493	3.346
	Change to Resources				
Line 2	Adjustment to Band D Projection	0.008	0.016	0.024	0.032
Line 3	Probable 2016/17 Council Tax-base Increase	(0.273)	(0.280)	(0.287)	(0.294)
Line 4	Revision to future tax-base growth forecasts		(0.182)	(0.354)	(0.534)
Line 5	H&W Grant Settlement	0.136	0.574	0.386	(0.046)
Line 6	Revised Firelink Grant Assumptions		(0.102)	0.023	0.148
Line 7	Business Rate growth	0.030	0.030	0.030	0.030
Line 8		(0.099)	0.056	(0.178)	(0.664)
Line 9		0.201	1.683	2.315	2.682
	Change to Net Expenditure				
Line 10	NI Contracting Out - Phasing	0.380			
Line 11	FireControl - additional costs	0.090	0.090	0.090	0.090
Line 12	unrelated additional income	(0.080)	(0.080)	(0.080)	(0.080)
Line 13	"Apprentice" Levy		0.070	0.070	0.070
Line 14	2015/16 Inflation Saving	(0.125)	(0.125)	(0.125)	(0.125)
Line 15	Revised 2016/17 Inflation Projection	(0.100)	(0.100)	(0.100)	(0.100)
Line 16	Revised 2017/18 Inflation Projection		(0.100)	(0.100)	(0.100)
Line 17	2015/16 Pay Award Savings	(0.275)	(0.275)	(0.275)	(0.275)
Line 18	Capital Financing Adjustment	(0.200)	(0.200)	(0.200)	(0.150)
Line 19					
Line 20		(0.310)	(0.720)	(0.720)	(0.670)
Line 21		(0.109)	0.963	1.595	2.012
Line 22	Use of CSR Reserve		(0.574)	(0.386)	
Line 23	Re-phase approved use of Balances	0.150	(0.150)		
Line 24	Residual Gap	0.041	0.239	1.209	2.012
Line 25	DCP Continuation		0.154	0.154	0.154
Line 26	Potential Gap	0.041	0.393	1.363	2.166

Report of the Head of Legal Services

7. Task and Finish Group for Vehicle Fleet Capital Programme

Purpose of report

1. To request approval to set up a Task and Finish Group to examine the Vehicle Fleet Capital Programme.
-

Recommendations

It is recommended that the Committee:

- i. approve the set up of a Task and Finish Group to examine the Vehicle Fleet Capital Programme;***
- ii. appoint a Chairman to the Task and Finish Group;***
- iii. agree the Terms of Reference for the Task and Finish Group.***

Introduction and Background

2. The Policy and Resources Committee can create adhoc, time limited task and finish groups to conduct investigations or reviews on matters within the remit of the Committee. The Task and Finish Group will adopt a range of flexible approaches to meet the needs of the particular circumstances.
3. At the Group Leaders' meeting on 9 November 2015 Members expressed a desire for further information on the vehicle fleet strategy since it was approved in 2007. The Chairman and Vice-Chairman to the Authority agreed it would be appropriate to set up a Task and Finish Group to examine the Fleet Capital Programme.

Task and Finish Group Membership

4. Members of the Policy and Resources Committee are asked to elect a Chairman for the Task and Finish Group.
5. The Task and Finish Group Membership shall be agreed by the Head of Legal Services, in consultation with the Committee Chairman, Vice-Chairman and the Task and Finish Group Chairman. Expressions of Interest are invited from all Authority Members. There must be a minimum of 3 and a maximum of 7 Members on the Group. Political balance and substitution arrangements will not apply.

6. There will be a Lead Officer for the Task and Finish Group with support from Committee and Members' Services. It is anticipated that 2 meetings will be needed to complete the review and that a report will be produced by the end of March 2016.

Task and Finish Group Terms of Reference

7. In order to process the review of the Fleet Capital Programme, the Committee will need to agree the Terms of Reference as proposed below:
- review the Vehicle Fleet Strategy approved in 2007;
 - review the Authority's anticipated future requirements and strategy with regard to replacement of vehicles; and
 - make recommendations.

Conclusion/Summary

8. The Task and Finish Group will enable Members to have oversight of the Vehicle Fleet Capital Programme and a report will be produced by the end of March 2016.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	Officer time to support.
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	Our Strategy links with Fleet and Equipment.
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	N/A
Consultation (identify any public or other consultation that has been carried out on this matter)	None
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	Equalities Impact Assessment not completed as no recommendation for policy change.

Supporting Information

None

Contact Officer

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Report of Area Commander, Head of Operations

8. Removal of Incident Response Unit for Mass Decontamination

Purpose of report

1. To report that following a national review, it has been determined that 22 National Resilience Incident Response Units (IRU) provided for mass decontamination across the County, including the one currently stationed within Hereford & Worcester, are no longer required and will no longer be funded by Government.
-

Recommendation

It is recommended that the Committee:

- i) notes the removal of the Incident Response Unit from the National Resilience Asset Register, and subsequent reduction in Section 31 Grant funding to support this vehicle; and***
- ii) notes the intention to remove the vehicle from Hereford & Worcester Fire and Rescue Service after 31 March 2016.***

Introduction and Background

2. At the very inception of the National Resilience (NR) programme over a decade ago the first capability to be introduced into Fire and Rescue Services (FRSs) were Incident Response Units (IRUs). These are large, curtain-sided vehicles with demountable fork lifts on the rear. IRUs are capable of transporting a large amount of equipment across the region and country for the purposes of mass decontamination of large numbers of contaminated casualties. The planning assumptions the IRUs were implemented to address were primarily for an incident where large numbers of people were contaminated by some form of harmful agent, thus requiring decontamination on a large scale prior to being able to receive medical treatment. FRSs carry out mass decontamination on behalf of the Department of Health.
3. The Service used to hold two of these vehicles. It is important to stress that these vehicles, although stationed within Hereford & Worcester, were intended to meet national resilience requirements and not as a result of any assessment of local threat levels. In 2013, the Authority agreed to the redeployment of the vehicle formerly located at Droitwich as part of the restructure of the Urban Search and Rescue team into Droitwich Fire Station.

4. The remaining IRU is stationed at Hereford Fire Station. The Service receives circa £35k per annum within the Section 31 grant funding, to facilitate the training of staff who operate and support this vehicle. This element of the funding will cease on 31 March 2016. Furthermore, following a transfer of assets process undertaken some years ago, the Authority now owns this vehicle and equipment, so there may be some value in the residual asset.
5. In addition to the vehicle's national role in mass decontamination the Service can utilise the vehicle and equipment for local level incidents of a smaller nature, such as when hazardous materials are spilled and firefighters dealing with such an incident require decontaminating.

Current Position

6. On 4 December 2015 the Chief Fire Officer received a letter from CFOA National Resilience and the Department for Communities and Local Government (DCLG) informing the Authority that with effect from 31 December 2015 the IRU held at Hereford Fire Station would no longer be called upon as a national asset. Following a national review of the capability and a revised threat assessment twenty two IRUs across the UK are being decommissioned.
7. The IRU is currently funded until the end of March 2016, and it has been requested that it remains in storage (within HWFRS) and viable as an asset until that time. It is expected that guidance will be issued in early 2016 to advise on the disposal arrangements and any associated subsequent funding post March 2016.
8. During the period to March 2016 the vehicle will also be removed from operational service for local incidents within the Service. The local decontamination capability it currently provides will be replaced with a smaller, more bespoke, capability which will remain at Hereford Fire Station on an existing alternative vehicle. It is not viable or practical to retain such a large vehicle solely for local incidents and the cost of training and upkeep of the vehicle and equipment would be entirely disproportionate to the local needs. A large number of other IRUs are still available across the UK and in neighbouring FRSSs, should there ever be a need for such a capability to decontaminate large numbers of people. The operational use of these vehicles, both locally and nationally, has been extremely low in the last decade.
9. The loss of the IRU will result in a significant reduction in the amount of training needed. This will not only reduce the need for skills such as fork lift operating at Hereford Fire Station, but will also reduce the training requirements on a number of neighbouring Retained stations that are needed to support an IRU.

Conclusion/Summary

10. It is envisaged that the IRU will remain in situ at Hereford Fire Station until at least 31 March 2016 after which approval should be given for the vehicle and equipment to be disposed of. Due to the nature of the vehicle and the equipment this will need to be carefully controlled.

11. The loss of the remaining IRU at Hereford Fire Station will not cause any significant operational issues within the Service and the local decontamination capability can easily be provided at minimal cost for Hereford Fire Station.
12. All HWFRS firefighters will continue to train and hold the necessary skills to deal with the variety of incidents that involve hazardous materials, and be able to effectively decontaminate themselves and the public. Where mass decontamination is required, then IRUs can be deployed from within the West Midlands region and other neighbouring FRSs.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	There are some minor equipment costs associated with this paper that can be met within existing budgets and capacity.
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	The Asset Management Strategy supports 'Our Strategy' on the foundations of 'Buildings and Infrastructure'.
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	All risks and changes associated with this paper can be met locally and do not pose any significant threat.
Consultation (identify any public or other consultation that has been carried out on this matter)	Consultation is not required in this matter.
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	No – this will be considered at the appropriate time.

Supporting Information

None

Background Papers

Letter to CFO dated 4 December 2015 re. CBRNe Capability Review – Mass Decontamination outcomes

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Report of Area Commander Keith Chance

9. West Mercia Police and Warwickshire Police Operations and Communications Centre (OCC) Programme

Purpose of report

1. To inform Members of the progress of the West Mercia Police and Warwickshire Police Operations and Communications Centre (OCC) programme and to seek approval for the relocation of the HWFRS Fire Control to Hindlip Park.
-

Recommendations

It is recommended that:

- i) the progress of the OCC Programme and of the planning application submitted by West Mercia Police and Warwickshire Police be noted; and.***
- ii) Officers be authorised to proceed with the relocation of Fire Control to the Hindlip Park site, on terms to be agreed by the Chief Fire Officer in consultation with the Treasurer and Head of Legal Services.***

Introduction and Background

2. In 2014 West Mercia and Warwickshire Police were successful with a bid to the Police Innovation Fund (PIF) to create a new Operations and Communications Centre (OCC) for the two forces.
3. HWFRS was invited to participate in the project and consider the relocation of its Fire Control from Service Headquarters to the OCC. A significant programme is therefore now progressing to deliver the new OCC which can accommodate existing functions into the new facility.
4. At the FRA meeting on 17 June 2015, Members received an update on the OCC Programme and were informed that further progress with regard to detailed planning would be reported as appropriate.

Current Progress

5. The Police led and funded programme to deliver the new OCC facility is well advanced and is made up of a number of individual projects. HWFRS is fully engaged in all of the projects within the programme and has an officer dedicated to each of the project teams. This will compliment but is separate and independent from any future agreement to move Service Headquarter functions to Hindlip.

6. It is anticipated that the OCC will be operational in 2017 with both Police and Fire Service operations being managed and co-ordinated from the one building subject to FRA approval.
7. On 19 October 2015, plans for the OCC building at Hindlip Park were submitted to Wychavon District Council for approval with the end of the consultation period being 4 December 2015.
8. The full plans submitted to Wychavon DC are available at: <http://wam.wychavon.gov.uk/WAM/showCaseFile.do?action=show&appType=Planning&appNumber=showCaseFile.do?action=show&appType=Planning&appNumber=W/15/02662/PN>
9. Planning permission is expected to be granted for the build in January 2016.
10. The proposed OCC building at Hindlip Park is a large single storey structure housing the OCC, Force Operations and a joint command centre. An area within the main OCC room has been made available for HWFRS and will enable Fire Control to be embedded within the OCC to foster joint working and information sharing with police counterparts to further enhance joint operational working and response. Although located within the the Police building the Fire Control function will be a stand alone function, albeit this function will benefit significantly from the co-location with the similar Police facility.
11. In addition to the Fire Control function, the HWFRS Operational Policy and Emergency Planning staff currently located at Hindlip will also have the opportunity to move to the OCC building along with Police staff from Force Operations to provide further joint working and planning between the two organisations.
12. Throughout the design phase, Fire Control staff and the Representative Bodies have been fully engaged to ensure that they have been able to gain an understanding of the benefits of o-location and influence the design and layout of the proposed build.
13. The OCC Programme will deliver:
 - Operational Command and Control Suite;
 - Strategic and Tactical Coordination Suites for major and critical incidents;
 - The ability to coordinate operational planning, duties and contingencies management;
 - The ability to respond to major incidents coordinated and managed by Cabinet Office Briefing Room (COBR) and the Local Resilience Forum (LRF);
 - The ability to drive efficiency in operating practices;
 - New ways of working including the creation of a dual control room (police and fire & rescue).
 - Improved strategic and tactical coordination.

14. On a day to day basis, the services delivered from the OCC will be:
- Call handling, dispatch and associated command of police resources across the counties of Worcestershire, Herefordshire, Shropshire, Telford & Wrekin and Warwickshire;
 - Call handling, dispatch and associated command of fire and rescue resources across Worcestershire and Herefordshire;
 - Duties and resource management for Police and HWFRS;
 - Strategic, tactical and operational planning departments for the three services;
 - Running the command suite accommodation as defined by the Civil Contingencies Act 2004, in order to deal with all critical and major incidents across Worcestershire, Herefordshire, Shropshire, Telford & Wrekin and Warwickshire.
15. Detailed planning regarding the migration phase of the Fire Control and Operational Policy functions is currently underway to ensure a smooth transition period and meet the anticipated 2017 deadline.

Conclusion/Summary

16. HWFRS is fully engaged with the West Mercia Police and Warwickshire Police OCC Programme and is a key stakeholder in all of the associated projects.
17. A request for planning permission for the new OCC building was submitted to Wychavon District Council in October 2015 and a decision is expected imminently; assuming permission is granted, it is anticipated that build work will commence soon after.
18. It is hoped that the OCC, including the HWFRS Fire Control, will be operational in 2017.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	HWFRS resources are engaged in programme planning and delivery. Detailed plans regarding transition to the new site for HWFRS operations and staff are being established and will consider financial and legal implications
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	The move of Fire Control will enable closer working with Police to improve operational response and incident management

Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	A full risk management register is available through the Police Programme Team
Consultation (identify any public or other consultation that has been carried out on this matter)	Informal engagement commenced with FBU and Control staff, formal consultation will commence as plans develop
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	A full impact assessment will be compiled as part of the programme delivery

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Report of Deputy Chief Fire Officer Richard Lawrence

10. Health and Safety Committee Update

Purpose of report

1. To provide the Policy and Resources Committee with an update on the activities and items of significance from the Service's Health and Safety Committee.

Recommendation

It is recommended that the following items be noted:

- (i) ***Health and Safety performance for Quarter 2 of year 2015-16 (Jul – Sept 2015); and***
- (ii) ***the involvement of the Service in a number of Health and Safety initiatives at a national level.***

Introduction

2. Hereford & Worcester Fire Authority's aim is to ensure the safety and well-being of its employees and to reduce and prevent accidents and injuries at work.
3. The Health and Safety Committee (the Committee) is established to provide effective arrangements for the liaison and review of matters of a common interest in regards to Health and Safety (H&S), and to act as a forum for liaison on all matters relating to H&S for key stakeholders and departments. The Committee provides the opportunity for the Service to discuss general H&S matters on which it must consult the workforce via employee representatives.
4. The Committee has the facility to task work to the Health & Safety Working Group, which sits beneath it and is chaired by the Area Commander Operations Support. The group meets as and when required but at least every six months.

Update

5. The Committee last met on 3rd December 2015 and is due to meet next on 21st March 2016.
6. A review of quarterly performance for the relevant period was discussed in detail. The Report is included at Appendix 1 with a summary below:

Summary

7. In comparison to the previous quarter, the total number of incidents is marginally higher. The number of Vehicle collisions has increased of which 8 were whilst

responding to fire calls. The number of personal injuries remained very similar including the number of personal injuries that occurred during training.

8. There was one RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013) report submitted to the HSE for an eight day absence, the absence occurred whilst responding on foot to the fire appliance, the individual was distracted by the low sun and misjudged a trench causing a lower leg injury.

Local Activities

9. The Service hosted Lesley Pascoe from the HSE (Health and Safety Executive) on 26th August, Lesley is the HSE Officer responsible at a national level for matters that relate to the Fire Service. This visit included visits to Worcester, Droitwich and Evesham fire stations, as well as the Defford Training Facility. A visit followed around various departments located at SHQ, allowing Lesley the opportunity to better acquaint herself with Fire Service operations and activities.
10. The Service led an audit in the West Midlands Fire Service reviewing Breathing Apparatus and slips, trips and falls. The outcome of the audit will be published in January 2016 and will be available to Members in the next update.

National Activities

11. The Service is currently involved in a number of initiatives at a national level. Key areas of activity include:

Firefighter Injury Research Project

12. Bill Gough, Coventry University is undertaking a Firefighter injury research project. Bill has met with the Health and Safety department and the Service will provide the required information in line with his request. The Service will gain feedback from this study and assess recommended outcomes.

Investigation into Line Rescue Incident

13. An investigation into two serious injuries in Northampton Fire and Rescue Service has taken place and it was found there was no failure by equipment on the day. There were certain issues with equipment and ambiguity with the report from the HSE. An initial report has been sent to the National Rope Users Group, where an evaluation will be undertaken before sharing and recommendations.

Carcinogens on PPE

14. A number of international reports appear to suggest a higher prevalence of certain cancers amongst firefighters. These reports suggest the cause may be absorption of carcinogens through tunic/leggings or through exposed skin. A national working group has been assembled to assess the information available with all findings shared through CFOA.

Conclusion

15. This report provides Members with an update on health and safety issues discussed at the previous Health and Safety Committee and draws Members' attention to key areas of work currently being undertaken by the Service. In addition the report provides information on quarterly health and safety performance, which overall shows a downward trend.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	N/A
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	Corporate strategy – Ensuring firefighter safety
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	Reduces the overall impact of health and safety related issues in the areas identified and safeguards the Services legal requirements
Consultation (identify any public or other consultation that has been carried out on this matter)	N/A
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	N/A

Supporting Information

Appendix 1: Quarter 2 of year 2015/2016 (Jul – Sept 2015) Health & Safety Performance Report

Contact Officer

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Quarter 2 Performance Report (Jul - Sept 2015)

A total of 33 H&S events were reported this quarter:

<ul style="list-style-type: none"> 13 incidents were personal injuries 	
5 incidents relate to injuries occurring during training.	1 relates to a manual handling injury
	1 relates to small abrasions to hand
	3 relate to slips trips and falls
4 incidents relate to injuries occurring during training.	1 relates to a crew commander falling into a trench (RIDDOR)
	1 relates to hot water spraying two firefighters from hot tap hose
	1 relates to trapping a finger in appliance door
	1 relates to being struck by falling masonry
2 injuries were caused by manual handling	1 relates to carrying PPE
	1 relates to carrying equipment
2 injuries were to maintenance technicians	1 relates to a cut finger
	1 relates to swollen hand whilst working in the cab of an appliance
Totalling 13 personal injuries	

<ul style="list-style-type: none"> 3 incidents were causes for concern or near hits 	
3 reports were during routine activities	2 relate to equipment falling out of appliance lockers
	1 relates to grease falling from overhead door mechanism
Totalling 3 causes for concern	

<ul style="list-style-type: none"> 16 were vehicle collisions. 	
8 were whilst responding to a fire call	1 relates to driving over a metal bolt
	2 relates to hitting low overhanging branches
	1 relates to coming into contact with a bollard
	1 relates to a vehicle skidding and sliding into street furniture
	1 relates to contacting a bumper of a third party
	1 relates to reversing into the appliance bay doors
	1 related to wing mirror contacting third party wing mirror
8 were routine activities	3 relate to vehicles wing mirror being struck by third party
	1 relates to a vehicle reversing into a stationary vehicle
	1 relates to a vehicle striking a hedge branch
	1 relates to appliance colliding with appliance bay doors
	1 relates to bumper contacting a wall
	1 relates to appliance being hit by a manoeuvring HGV
Totalling 16 vehicle collisions	

<ul style="list-style-type: none"> 1 was property or equipment failure 	
1 report was from routine activity	1 relates to appliance colliding with appliance bay doors
Totalling 1 vehicle or equipment failure	

<ul style="list-style-type: none"> • 1 was RIDDOR reportable 	
Reportable for +8 day absence	1 relates to a crew commander falling into a trench
	Totalling 1 RIDDOR reportable absence

Quarter 2 Total Reported H&S Events

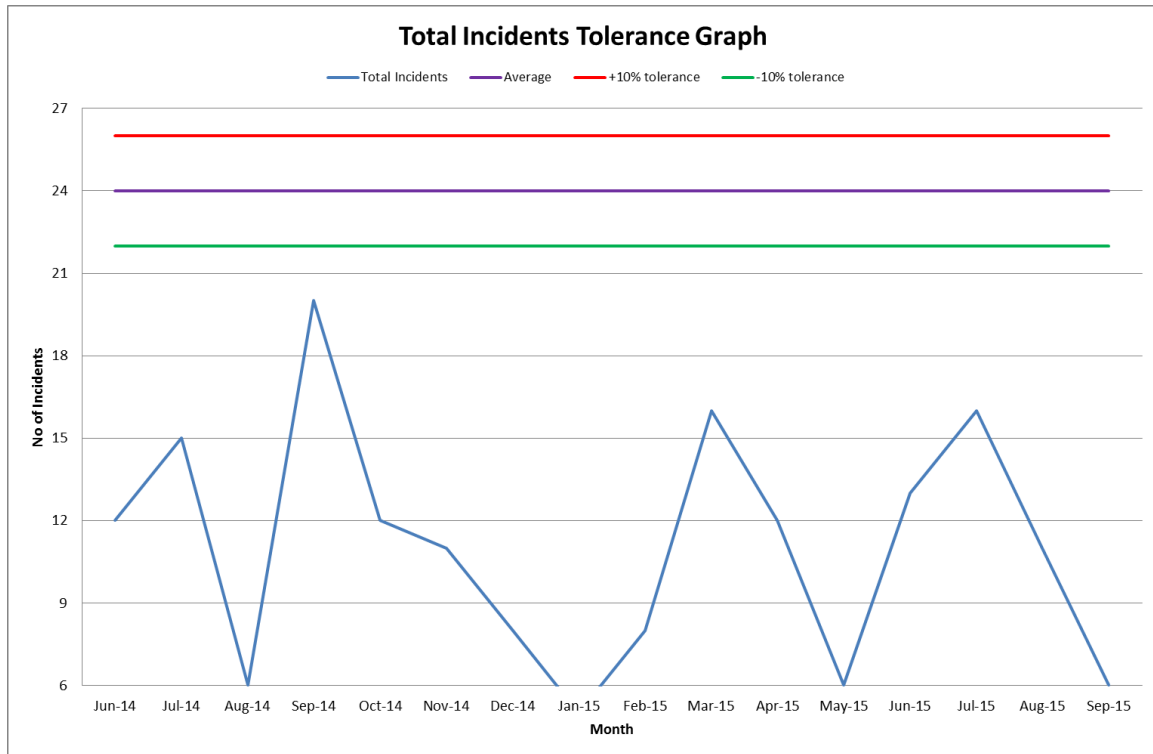


Figure 1 – Total events per month June 2014 to September 2015

Summary Total H&S events for this quarter show a slight increase in July, returning to a downward trend during August and September. Total H&S events remain below set tolerance levels.

Quarter 2 Serious Events Reported

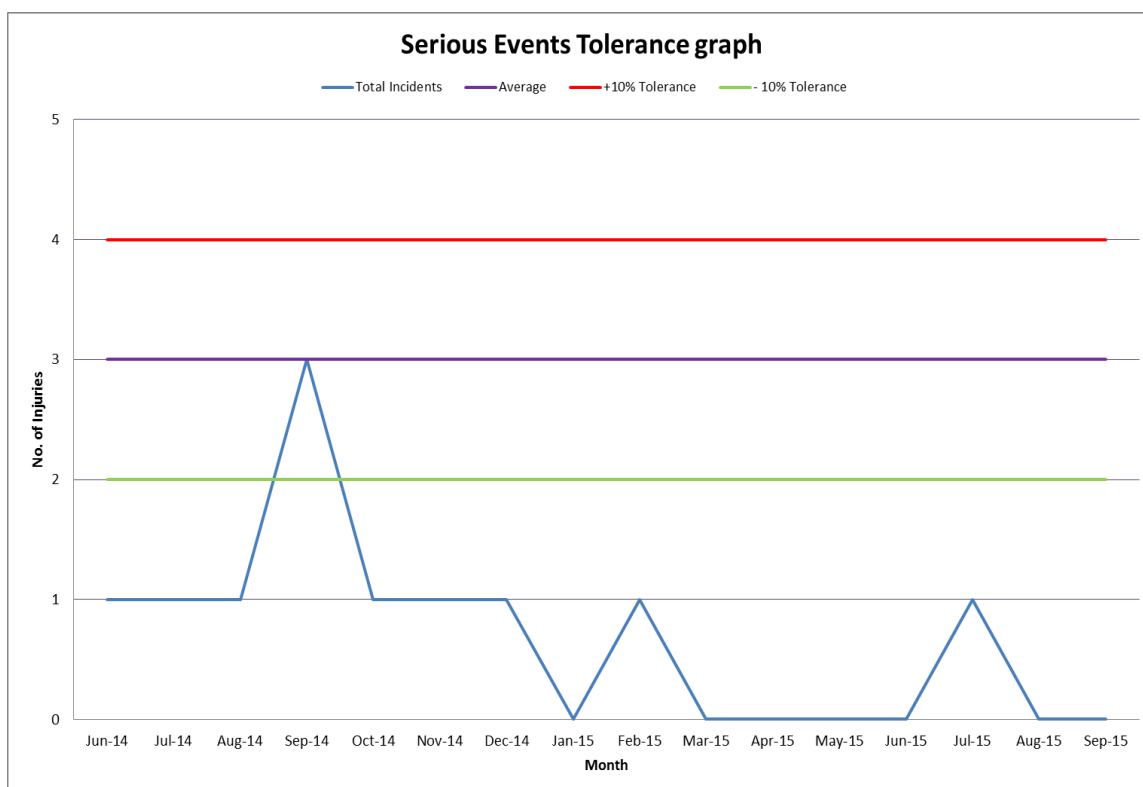


Figure 2 – Total events per month June 2014 to September 2015

Summary The total number of significant/potentially significant events in this period remains low, there has been one serious event this quarter.

Significant/Serious Events

1. The individual was walking back to the fire appliance due to a fire call being received. Whilst doing so he fell into a trench that had been dug by contractors for the purpose of disconnecting services to a training venue.

Action – This has been investigated with no further actions as this was an accident caused by glare from the low sun.