



HEREFORD & WORCESTER Fire Authority

Full Authority

AGENDA

Wednesday, 15 February 2017

10:30

Shire Hall

St Peter's Square, Hereford, HR1 2HY

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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 Fire Authority

Full Authority

Wednesday, 15 February 2017, 10:30

Agenda

Councillors

Mr D W Prodger MBE (Chairman), Mr R J Phillips (Vice Chairman), Mr R C Adams, Ms P Agar, Mr A Amos, Mr B A Baker, Mr S C Cross, Ms L R Duffy, Mrs E Eyre BEM, Mr A Fry, Ms K S Guthrie, Mr Al Hardman, Mrs A T Hingley, Ms R E Jenkins, Mr J L V Kenyon, Mr R I Matthews, Mrs F M Oborski MBE, Professor J W Raine, Mr C B Taylor, Mr J W R Thomas, Mr P A Tuthill, Mr R M Udall, Mr G J Vickery, Mr S D Williams

No.	Item	Pages
1	Apologies for Absence To receive any apologies for absence.	
2	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.	
3	Chairman's Announcements To update Members on recent activities.	

4	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 13 February 2017). Further details about public participation are available on the website. Enquiries can also be made through the telephone numbers/email listed below.	
5	Confirmation of Minutes	8 - 11
	To confirm the minutes of the meeting held on 15 December 2016.	
6	Budget and Precept 2017/18 and Medium Term Financial Plan	12 - 38
	1. To determine the Revenue and Capital Budgets and the Council Tax Requirement for 2017/18.	
	2. To approve the Prudential Indicators and Minimum Revenue Provision (MRP) Statement for 2017/18'	
	3. To identify potential future resources, their consequential impact on future year budgets and the future Council Tax Requirement. (the Medium Term Financial Plan)	
7	Review of Crewing Levels	39 - 42
	To inform Members of the outcome of a review of crewing levels against the £0.8m allocated to temporarily maintain a crew of 5 on wholetime based fire engines.	
8	Pay Policy Statement	43 - 52
	To bring to the attention of the Authority the requirement for the Service to publish its annual Pay Policy Statement for year 2017/18.	

9	Members' Allowances Scheme 2017/18	53 - 57
	To consider whether to make any alterations to the Members' Allowances Scheme for 2017/18 in light of the small change in the Consumer Price Index to December 2016.	
10	Update on Collaborative Working	58 - 67
	To update Members of the Fire Authority on the existing, and developing, collaborative work being undertaken by the Service with other organisations.	
11	Chief Fire Officer's Service Report	68 - 69
	To inform the Authority of recent key developments and activities.	
12	Minutes of the Audit and Standards Committee	70 - 85
	To receive the minutes of the meeting held on 18 January 2017.	
13	Minutes of the Policy and Resources Committee	86 - 89
	To receive the minutes of the meeting held on 25 January 2017.	
14	Chairman's Closing Remarks	90 - 90



Hereford & Worcester Fire Authority

Full Authority

Thursday, 15 December 2016, 10:30

Minutes

Members Present: Mr R C Adams, Mr A Amos, Mr S C Cross, Ms L R Duffy, Mrs E Eyre BEM, Mr A Fry, Ms K S Guthrie, Mr Al Hardman, Mrs A T Hingley, Ms R E Jenkins, Mr R I Matthews, Mrs F M Oborski MBE, Mr R J Phillips, Mr D W Prodger MBE, Professor J W Raine, Mr C B Taylor, Mr P A Tuthill, Mr R M Udall, Mr G J Vickery, Mr S D Williams

Substitutes: none

Absent: none

Apologies for Absence: Ms P Agar, Mr B A Baker, Mr J L V Kenyon, Mr J W R Thomas

Also in Attendance: Police and Crime Commissioner John Campion

109 Chairman's Announcements

The Chairman informed the Authority of recent events he had attended:

- Meeting with the Police and Crime Commissioner on 30 November considering the move to Hindlip Business Park.
- Tour of the new Evesham Fire Station on 1 December and the official handover ceremony on 12 December.

and also announced that Officers had now agreed terms with the landowner (subject to contract) for the purchase of the site known as 'Stourpoint 5' as the new Wyre Forest Emergency Services Hub. Members were informed that there will be a further report to the Policy and Resources Committee in January detailing the next steps.

110 Confirmation of Minutes

Resolved that the minutes of the meeting of the Fire Authority held on 11 October 2016 be confirmed as a correct record and signed by

the Chairman.

111 Day Crewing Plus Review

Councillor Anne Hingley entered the meeting at 10.40am.

Members were informed of the outcome of the recent Day Crewing Plus (DCP) duty system review which had been running since April 2015 and scheduled to end March 2017. This had generally proved successful and now needed to be considered as part of the wider options available to the Service. Members agreed to the extension to the trial at Hereford and Worcester stations for a further 12 months whilst further options are explored to meet the Medium Term Financial Plan.

RESOLVED that an extension to the DCP trial at Hereford and Worcester Stations be agreed for a further 12 months (until March 2018) whilst further options are explored to meet the Medium Term Financial Plan.

112 Member Development Strategy 2017-2020

The Authority was asked to approve the Member Development Strategy 2017-2020.

Members were advised that each yearly programme will focus on the theme 'Adding Extra Value'. It was queried why the Strategy ran from January to December rather than the municipal year and it was agreed that officers would look at this.

Members were informed that each annual programme will be put forward to the Audit and Standards Committee for approval.

Members expressed their thanks to officers and staff for their helpfulness and for always ensuring they are kept up to date.

RESOLVED that the Authority approves the Member Development Strategy 2017-2020.

113 Fire Authority and Committee Dates 2017/18

Members were informed of the Fire Authority and Committee meeting dates for 2017/18 and were reminded that all dates had been cross checked with each Constituent Authority, where meetings had already been set.

RESOLVED that the meeting dates for 2017/18 be noted.

114 Chief Fire Officer's Service Report

The Chief Fire Officer informed the Authority of recent key developments and activities, which included:

- Herefordshire Awards and Medals Ceremony
- Combined Fire Authority Conference
- World Rescue Challenge 2016

Members were then provided with a presentation, including video footage of the Service Exercise on 11 October and an outline of the key outcomes and lessons learned. This was an invaluable training event for staff, simulating a major motorway incident and demonstrating the effectiveness of collaboration with the emergency services.

Members expressed their gratitude for being invited to such an event and congratulated officers in organising such a large event so professionally.

115 Minutes of the Policy and Resources Committee

The Chairman of the Committee reported the proceedings of the Policy and Resources Committee meeting held on 17 November 2016.

RESOLVED that the minutes of the Policy and Resources Committee meeting held on 17 November be received and noted.

116 Minutes of the Audit and Standards Committee

The Chairman of the Committee reported the proceedings of the Audit and Standards Committee meeting held on 27 September 2016.

RESOLVED that the minutes of the Audit and Standards Committee meeting held on 27 September 2016 be received and noted.

117 Code of Conduct - Member Training

Members were provided with Code of Conduct training which covered their general obligations, Register of Interests, Disclosable Pecuniary and Other Disclosable Interests, Gifts and Hospitality and Information Security.

Councillors Udall, Vickery, Fry and Jenkins left the meeting at 11.44am.

Councillor Jenkins returned to the meeting at 11.46am.

The Meeting ended at: 11:56

Signed:.....

Date:.....

Chairman

Report of the Treasurer and the Chief Fire Officer

Budget and Precept 2017/18 and Medium Term Financial Plan

Purpose of report

1. To determine the Revenue and Capital Budgets and the Council Tax Requirement for 2017/18.
2. To approve the Prudential Indicators and Minimum Revenue Provision (MRP) Statement for 2017/18'
3. To identify potential future resources, their consequential impact on future year budgets and the future Council Tax Requirement. (the Medium Term Financial Plan)

Recommendations

It is recommended that:

- i) the Capital Budget and Programme (Appendix 1) be approved;*
- ii) the Revenue Budget (Appendix 4) be approved;*
- iii) the Authority calculates that in relation to the year 2017/18:*
 - a) the aggregate expenditure it will incur will be £32,965,000.00;*
 - b) the aggregate income it will receive will be £10,187,950.00;*
 - c) the net amount transferred from financial reserves will be £903,278.00;*
 - d) the net collection fund surplus is £237,704.00;*
 - e) the net amount of its Council Tax Requirement will be £21,636,068.00;*
 - f) the basic amount of Council Tax will be £79.53 (Band D);*
 - g) the precept demands on the individual Billing Authorities are:*

• Bromsgrove	£2,867,585.35
• Herefordshire	£5,376,085.62
• Malvern Hills	£2,386,370.81
• Redditch	£2,028,739.51
• Worcester	£2,476,643.72
• Wychavon	£3,873,448.98
• Wyre Forest	£2,627,194.01
- iv) the Medium Term Financial Plan (Appendix 5) and Reserves strategy be approved; and*
- v) the Statement of Prudential Indicators and Minimum Revenue Provision Policy (Appendix 8) be approved.*

Introduction and Background

4. In October 2016 the Authority approved a revised Medium Term Financial Plan (MTFP), which identified a cumulative budget gap of £1.657m by 2019/20.
5. This budget gap was based on a set of assumptions and was updated to the Policy and Resources Committee on 25 January 2017, with the then available information, by which time the gap had reduced to £1.459m.
6. Final information is now available on resources:
 - a. Council Tax-bases – from Billing Authorities;
 - b. Band D Council Tax level – recommendation from the Policy and Resources Committee;
 - c. Council Tax increase referendum threshold – from government;
 - d. Collection Fund surpluses - from Billing Authorities;
 - e. Estimated Retained Business Rates yield - from Billing Authorities; and
 - f. Grant – *at the time of publication of this report the grant settlement had not been formally confirmed. It would be exceptional if the final position is changed, however, if it is, then an update will be provided at the Authority meeting.*
7. The Policy and Resources Committee considered draft budget proposals on 25 January 2017 based on the provisional information then available. The Committee recommended to the Fire Authority that:
 - a. the 2017/18 precept increase is set at £1.53 per year at Band D;
 - b. future years' planning should assume an annual precept increase of 1.96%.; and
 - c. The Budget Reduction Reserve is used to smooth the budget gap in transition to planned efficiency savings.

Review of Available Resources

8. Resources can be split between formula grant, other grants, Council Tax precept and Retained Business Rates.

Formula Grant

9. Members will recall that as part of the 2016/17 Settlement the government gave indicative grant figures for the whole of the CSR period to 2019/20. In order to have these future allocations confirmed (and not subject to further reduction) an Authority was required to submit and publish an Efficiency Plan.
10. It is pleasing to note that the Home Office accepted the Efficiency Plan submitted by this Authority, without any questions or required amendment, and therefore future grant can be relied upon.
11. It should be noted that Government has committed, however, that by the end of this CSR period Local Authorities will retain all Business Rates, but have central grant allocation.

12. Details of this are still not known and there will be some significant distributional effects which remain un-addressed. For planning purposes therefore it is assumed that 90% of the resources available from grant in 2019/20 will be available in 2020/21.
13. Part of the current grant calculation is linked to the government's projection of business rate yield. As a result of the Business Rate Revaluation from April 2017 the expected yield has reduced and consequently this element of grant has increased by £0.252m. However, there would be an expected equivalent reduction in actual Business Rate yield. (See below).

Other Grants

14. Members will be aware that the Authority receives grant in respect of national New Dimensions functions and the Firelink radio scheme.
15. Although grant for the former has not yet been formally confirmed the MTFP therefore assumes the continuation of 2016/17 levels.
16. The Authority is aware that the Firelink grant will be eliminated when the replacement and promised significantly cheaper national radio scheme goes live.

Precept Assumptions

17. The level of income from precept is determined by the Band D tax and the total tax-base.
18. The actual level of tax-base has again risen significantly, by 1.8%, in 2017/18, this is above the forecast of 1.4%, as a result of :
 - a. Improvement in the estimate of actual collection from tax-payers who had previously not paid any Council Tax.
 - b. Changes to Council Tax support schemes increasing the amount of Council Tax payable.
 - c. A review of (and reduction in) the granting of single person discounts.
 - d. New properties.
19. This increase provides the Authority with slightly more income (£0.089m) than was previously forecast, as well as a one off £0.238m surplus on the Collection Funds.
20. As the Treasurers of the Billing and Precepting Authorities have worked together and shared information, future growth in tax-base (set out in Appendix 6) is based on the Billing Authority estimates, averaging 1.3%.
21. This figure is below the 1.96% implicit tax-base increased assumed by government in its own projections of changes in spending power.
22. Since 2004/05 the annual net Collection Fund out-turn has ranged from a net deficit of £0.002m to a net surplus of £0.286m, and there have been significant

annual variations, both surplus and deficit, from individual Authorities. It would be imprudent to fund core expenditure from this source and the Collection Fund is therefore assumed to be neutral in future years.

23. Although the Authority is free to increase the precept by any level it feels is appropriate, any increase above the threshold set by government (2% for 2017/18), requires the Authority to hold a referendum on the increase. The Authority has previously concluded that a referendum is not preferable given the percentage increase necessary merely to fund the cost of the referendum.
24. Policy and Resources Committee continued to support the Medium Term Financial Plan to increase annual precept by 1.96% and has recommended that the Authority increase the Band D tax by £1.53 in 2017/18 and that the planning assumption continues.
25. This figure would be below the level (2.0%) that would require the Authority to conduct a referendum on the level of increase in 2017/18.

Retained Business Rates

26. Within the grant settlement the government made an initial assumption about the level of business rates to be retained by each local authority and then makes assumptions about how this will change each year.
27. This influences the amount of “Business Rate top-up” included in the grant payable, and as referred to above this has increased as the estimate of business rate yield has fallen.
28. Each year however, the Billing Authorities provide an estimate (the NNDR1) of the amount they believe is collectable. This also includes estimates of any grant payable by government to compensate for some nationally determined rate reliefs. This represents the actual resources available.
29. The NNDR1 forecast share for 2017/18 is £0.202m less than in 2016/17 and reflects the base-line and grant changes.
30. The main change however is that the significant deficit on the Collection Fund in 2016/17 £0.274m has become a small surplus £0.025m in 2017/18.
31. The revised projection presented to Policy and Resources Committee identified the reduction in the core rates income but there had been no indications from the Billing Authorities to forecast the Collection Fund variation. The net impact is shown in the table below.

	2016/17 Actual £m	2017/18 MTFP £m	2017/18 P&R £m	2017/18 Actual £m
Core	2.378	2.426	2.175	2.173
Collection Fund	(0.274)	(0.279)	(0.251)	0.025
Grants	0.134	0.137	0.123	0.168
	2.238	2.283	2.047	2.366

32. For planning purposes it is assumed that the core yield (and grants) will rise at least as much as the government's inflation target (i.e. 2% per year), but that Collection Fund should be assumed to be neutral.

Expenditure Requirement

33. The expenditure requirement has continued to be refined and the key assumptions around pay, inflation and interest rates are outlined in the paragraphs below.
34. Expenditure changes are in line with the MTFP with the following exceptions that were approved by Policy & Resources on 25 January 2017.
35. The revised MTFP identified base savings from 2016 pay awards and general inflation. The previous estimates for these figures are now replaced with the actual ones providing a further £0.087m saving.
36. The Local Government Pension Scheme (LGPS) has been subject to the regular tri-annual valuation. Whilst there is only a marginal increase (£0.010m) in the forward funding rate, there has been a higher (£0.080m) increase in the back-funding costs. It is possible that some of this cost can be recouped by using cash balances to fund in advance and reduce interest charges.
37. This distinction is unique to the LGPS as back-funding costs of the FFPS are met from a consolidated, government set, employer's contribution rate and direct government grant.
38. There are two technical adjustments in relation to the costs of PPL
- a. The MTFP was set based on the original business case (FBC) which at that time included Herefordshire Council. When that Authority withdrew the Fire Authority re-confirmed its commitment to PPL on the grounds that the overall FBC saving was un-changed. However there was a change in the profile of these savings from the early part of the 10-year FBC (i.e. the current MTFP period) to the latter part. The MTFP was not at that time adjusted for the changed profile.
 - b. Additionally the assumptions about Fire Authority share of PPL costs did not take account of the change in the employers NI rates as a consequence of the abolition of "contracting out" following the introduction of the single state pension. These costs should have been included in the budget and would have been incurred anyway had employees not transferred to PPL.
39. Capital Financing has been reviewed in light of:
- a. The revised approved Vehicle Strategy
 - b. The likely timescales for spending on major building projects
 - c. The funding of the Wyre Forest Hub
 - d. Potential provision for priorities arising from the building condition survey to minimise long term financing costs.

40. As a result it has been possible to reduce the capital financing budget for 2017/18 and 2018/19, but the spend profile means that there is a “catch up” by 2019/20.
41. Although the Chancellor has again made clear the government’s policy on public sector pay increases, i.e. a maximum of 1% per year, it is not entirely clear how this will translate to the fire sector as pay awards are negotiated independently of central government.
42. However, Members will recall that, to ensure that the Authority’s Efficiency Plan was based on government projections, the amended MTFP reduced provision to 1% pa
43. The relevant assumptions are summarised below in tabular form for ease of reference:

	2017/18	2018/19	2019/20	2020/21
Pay Awards	1.0%	1.0%	1.0%	1.0%
General Inflation	2.0%	2.5%	2.5%	2.5%
Long Term Borrowing Rates	3.5%	3.5%	3.5%	3.5%

44. In accordance with previous practice, and to provide a continuous record of year on year budget changes, Appendix 3 tracks the changes from the approved 2016/17 budget to that proposed for 2017/18. Appendix 4 allocates this proposed budget to the relevant approved budget heads.

Capital Programme

45. The Capital Programme, using prudent financing assumptions and based on the agreed Asset Management Plan and Fleet Strategy, and with the usual annual provision of £0.600m for minor buildings and IT schemes etc. is included as Appendix 1. The revenue consequences of the schemes, including financing costs, are included in the revenue budget projections in Appendices 3, 4, and 6, and the Statement of Prudential Indicators and Minimum Revenue Provision Policy at Appendix 8.
46. Although budget provision has been given for specific schemes within the proposed Major Buildings block, as individual contracts are still subject to tender etc., individual allocations are not shown in order that the information does not compromise the Authority’s negotiating position.
47. The Programme now includes provision for expenditure on schemes funded from Transformational Grant.

Excess Staff Costs

48. Following the implementation of the agreed CRMP staff reductions it was expected that there would be a surplus of uniformed staff in post above that approved for the whole-time establishment.

49. As part of the MTFP the Authority approved the use of the budget reduction reserve to try to meet the Authority's desire not to instigate compulsory redundancies of uniformed staff. Costs are therefore matched with an equal amount transferred from the reserve.
50. Since the original plan was drawn up there have been a number of changes to the profile of staff costs
- The estimate of net costs of seconded staff are reduced
 - There are additional officers seconded
 - Some seconded staff have permanently transferred to other Services
 - Staff taking voluntary redundancy, where redundancy costs are less than the remaining employment costs.
 - Staff have left for other reasons that were not predictable
- which significantly reduce the overall demand on this reserve.

Revenue Reserves Strategy

51. The table below shows the projected position in relation to General Balances based on the approved MTFP. The balance is targeted (and remains) to be around 5% of expected budget, although it is closer to 6% until the end of 2018/19.

	2017/18	2018/19	2019/20	2020/21
	£m	£m	£m	£m
General Balances at 1 April	1.838	1.838	1.538	1.538
Approved Use		(0.300)		
General Balances at 31 Mar	1.838	1.538	1.538	1.538

52. No addition to balances in 2017/18 is shown; as the Policy and Resources Committee has yet to recommend how to deploy the managed in-year underspending (£0.928m at Quarter 2). Given that the level of general balances is adequate it may choose to boost the Budget Reduction Reserve, or use for other purposes.
53. Although there is no guidance as to the exact level of balances that it is reasonable for any Authority to hold, a level of around £1.5m or 5% is considered to be prudent. The Authority has to be mindful of the opportunity to quickly replenish balances if they are called upon and this becomes much harder in a financial regime where central government controls grant, business rate levels and council tax levels.
54. It is still worth quoting Rob Whiteman (Chief Executive of CIPFA) in an open letter to Melanie Dawes (the then new Permanent Secretary to DCLG) in 2014: *“For the avoidance of doubt, CIPFA’s guidance to chief finance officers is clear that at a time of increasing financial risk, a council making cuts should also increase reserves to reflect the greater volatility of its budget.”*

55. Whilst this level of balances is desirable, there is an opportunity cost of holding balances. They could be used to finance one off expenditure or temporarily reduce the Council Tax precept, which itself will have an impact on the long term financial position. The risk of using up balances is, however, that any unforeseen expenditure could not be met.
56. Earmarked reserves are held for purposes where either the timing or value of expenditure is un-certain. Appendix 7 details these reserves held by the Authority and their expected use.
57. It can be seen (*Appendix 7: Line 21, Column 6*) that of the reserves ear-marked to smooth budget reductions £3.180m currently remains uncommitted.
58. Members will recall that approval was given to use £0.060m of reserves to support safety initiatives in respect of Houses in Multiple Occupation (HIMO). The bulk of expenditure in 2016/17 will be funded from in year savings and has not required a call on reserves.

2017/18 Budget and Precept and Future Years

59. Based on the assumptions set out in this paper the relative financial position can be summarised as below:

	2017/18 Budget £m	2018/19 Forecast £m	2019/20 Forecast £m	2020/21 Estimate £m
Gross Expenditure Forecast	31.687	31.925	33.069	33.576
MTFP Approved Use of Reserves	(0.619)	(0.686)		
Projected Available Resources	(31.821)	(31.490)	(31.868)	(32.023)
Net Deficit/(Surplus)	(0.753)	(0.251)	1.201	1.553
			TOTAL	1.750

60. As Members will be aware a number of projects are underway which will deliver significant savings by the end of this period, e.g. Wyre Forest Hub, Hindlip Relocation (reduced cost of smaller building, disposal of existing HQ building and potential for back office integration) which anticipate annual savings of around £0.550m - £0.600m.
61. The timing of these savings, particular the practical realisation of building disposal is uncertain and so these savings are not yet included within the MTFP.
62. Officers will continue to work on identifying savings to close the remaining budget gap, but it is worth stating that if council-tax and business rates income moves in line with government projections, the Authority would have £0.340m more resource in 2019/20 rising to £0.550m in 2020/21.
63. When considering the position in January, Policy & Resources Committee approved the recommendation to use the un-committed earmarked reserves to smooth transition and balance the budget whilst the identified efficiencies are

realised. With the expectation that required usage would reduce when these savings were brought into the budget.

64. At the time the Committee considered this matter the business rate yield projections were less than they turned out to be and the £2.6m approved has now reduced to a requirement of £1.750m leaving £1.430m still available (see Appendix 7).
65. In order to balance this requirement over the period it is necessary to make a contribution to the reserve in 2017/18 and 2018/19.
66. Based on the above recommended strategies the formal precept calculation for 2017/18 is set out in Appendix 6. The Band D precept will rise by £1.53 (or less than 3 pence per week) to £79.53.

Budget Risks

67. Setting a net budget at £31.687m still presents risks, for example:
 - Pay Award – an annual provision of 1% has been made - a variance of +/- 0.5% adds or saves £0.100m.
 - General Inflation – each additional 1% costs/saves £0.100m.
 - Future Council Tax Policy is also unknown; although a 1.96% increase is assumed in the MTFP a reduction by 1.0% would cumulatively reduce resources by around £0.212m per year.

Investment of Surplus Funds

68. In accordance with the Authority's Treasury Management Strategy, surplus funds are invested by Worcestershire County Council alongside their own funds.
69. Given the continuing uncertainty in financial markets, the Treasurer advises that investment should continue to be focussed on security. As a consequence surplus funds continue to generate low returns which are factored into the budget.
70. Since October 2008 the Authority has adopted a policy of avoiding new long term borrowing, where working capital balances permit. The Authority will only extend long term borrowing when cash-flow requirements dictate that it is necessary, and only to finance long term assets

Prudential Code Indicators

71. Since 1 April 2004, the Local Authority capital finance system has been one of self-regulation based on a Prudential Code drawn up by the Chartered Institute of Public Finance and Accountancy (CIPFA).
72. The key objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of Local Authorities are affordable, prudent and sustainable or, in exceptional cases, to demonstrate that there is a

danger of not ensuring this, so that the Local Authority concerned can take timely remedial action.

73. A further key objective is to ensure that treasury management decisions are taken in accordance with good professional practice and in a manner that supports prudence, affordability and sustainability. The Prudential Code also has the objective of being consistent with and supporting, local strategic planning, local asset management planning and proper option appraisal.
74. To demonstrate that Authorities have fulfilled these objectives, the Prudential Code sets out indicators that must be used and the factors that must be taken into account. The Code does not include suggested indicative limits or ratios. These are for a Local Authority to set itself, subject only to any controls under Section 4 of the Local Government Act 2003 (Government Reserve Powers).
75. The prudential indicators required by the Code are designed to support and record local decision making. They are not designed to be comparative performance indicators and use of them in this way would likely to be misleading and counter-productive. In particular, Local Authorities had widely differing debt positions at the start of the prudential system and the differences are likely to increase over time as a result of the exercise of local choices. The system is specifically designed to support such local decision making in a manner that is publicly accountable.
76. In setting or revising the prudential indicators, the Authority is required to have regard to the following matters:
 - affordability, e.g. implications for Council Tax;
 - prudence and sustainability, e.g. implications for external borrowing;
 - value for money, e.g. options appraisal;
 - stewardship of assets, e.g. asset management planning;
 - service objectives, e.g. strategic planning for the Authority; and
 - practicality, e.g. achievability of the forward plan.
77. The Treasurer has prepared the prudential indicators having considered the matters above, and they are set out in detail in Appendix 8.

Minimum Revenue Provision (MRP)

78. Minimum Revenue Provision is the amount set aside in the revenue budget to meet the future repayment of borrowing incurred to pay for capital investment.
79. The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 require that an Authority sets its own prudent level of MRP, by adopting a policy in advance of the year to which it relates.
80. For ease of reference both the policy is set out in Appendix 8.

Budget Calculations: Personal Assurance Statement by the Treasurer

81. Section 25 of the Local Government Act 2003 requires the Treasurer to report to the Authority when it is setting the budget and precept (Council Tax). The Authority is required to take this report into account when making its budget and precept (Council Tax) decision. The report of the Treasurer must deal with the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides.
82. The Treasurer states that to the best of his knowledge and belief these budget calculations are robust and have full regard to:
 - the Fire Authority budget policy;
 - the need to protect the Fire Authority's financial standing and to manage risk;
 - the current year's financial performance;
 - the financial policies of the Government;
 - the Fire Authority's Medium Term Financial Plan and Planning framework;
 - capital programme obligations;
 - Treasury Management best practice;
 - the strengths of the Fire Authority's financial control procedures including audit consideration;
 - the extent of the Authority's balances and reserves; and
 - the prevailing economic climate and future prospects.

Equality and Diversity Impact

83. The immediate impact on recruitment activities means that progress against equality and diversity targets for the recruitment of wholetime female and Black Minority Ethnic (BME) firefighters will not be achievable. However, retained recruitment will continue to be based on need and in this area the Service will continue to do all it can to address our diversity targets.
84. It is no longer a requirement to report such targets at government level, but employment levels continue to be monitored to ensure that although limited positive progress can be made in this period, any recruitment that does take place happens in an environment of good equalities practice.

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 – Resourcing for the Future
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)	Yes – consultation with Business Rate-Payers as required by legislation
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	No

Supporting Information

Appendix 1	Capital Programme
Appendix 2	Personnel Budget
Appendix 3	Revenue Budget Changes 2016/17 to 2017/18
Appendix 4	Revenue Budget Allocation 2017/18
Appendix 5	Council Tax Requirement Calculation 2017/18
Appendix 6	Medium Term Financial Forecasts 2017/18 to 2020/21
Appendix 7	Revenue Reserves
Appendix 8	Statement of Prudential Code Indicators and Minimum Revenue Provision Policy.

Background Papers

Policy and Resources Committee 25 January 2017: Budget 2017/18 and MTFP
 Fire Authority 11 October 2016: Revision to the MTFP
 Fire Authority 17 February 2016: Budget & Precept 2016/17 and MTFP

Contact Officer

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Hereford & Worcester Fire Authority 2017/18 Capital Programme

Col.		(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Line		Approved Budget 16-Jun-16 £m	Revised Vehicle Strategy £m	Other Change £m	Proposed Total Budget £m	Cumul. Expd to 2015/16 £m	Forecast Expd in 2016/17 £m	Budget Remaining £m	
<u>Buildings Programme</u>									
1	Malvern FS	older	2.122		2.122	(2.067)	(0.055)	(0.000)	
2	Worcester FS	older	4.429		4.429	(4.336)	(0.093)	0.000	
3	Evesham FS	2015/16	4.099		4.099	(0.536)	(3.507)	0.056	
4	Hereford FS - Preliminaries	2015/16	0.095		0.095	(0.061)		0.034	
5	Day Crew Plus Works	2015/16	0.550		0.550	(0.258)	(0.286)	0.006	
6	Schemes requiring formal P&R approval #	2015/16	12.833	8.111	20.944	(1.714)	(0.075)	19.155	
7			24.128	0.000	8.111	32.239	(8.972)	(4.016)	19.251
<u>Vehicle Programme</u>									
8	Command Unit Replacement	2015/16	0.350		0.350			0.350	
9	Replacement Pumps	2015/16	1.150	0.050	1.200	(0.539)	(0.661)	0.000	
10	USAR Dog Van	2015/16	0.029		0.029	(0.027)		0.002	
11	USAR ISV	2015/16	0.081		0.081	(0.063)	(0.007)	0.011	
12	Replacement Pumps	2016/17	1.150	(1.150)	0.000			0.000	
13	Replacement Response Vehicles	2016/17	0.387	(0.319)	0.068		(0.068)	0.000	
14	Replacement Pumps	2017/18	1.150	0.460	1.610			1.610	
15	Replacement Response Vehicles	2017/18	0.089	0.078	0.167			0.167	
16	Replacement 4x4	2017/18	0.000	0.190	0.190			0.190	
17	Replacement Water Carrier	2017/18	0.290	(0.290)	0.000			0.000	
18	Replacement RAV	2017/18	0.000	0.230	0.230			0.230	
19	Boats	2017/18	0.040	(0.040)	0.000			0.000	
20	Replacement White Fleet (Vans etc.)	2017/18	0.000	0.330	0.330			0.330	
21	Replacement Pumps	2018/19	1.150		1.150			1.150	
22	Replacement Response Vehicles	2018/19	0.585	0.046	0.631			0.631	
23	Replacement 4x4	2018/19	0.000	0.190	0.190			0.190	
24	Replacement Water Carrier	2018/19	0.290	(0.290)	0.000			0.000	
25	Replacement RAV	2018/19	0.230	(0.230)	0.000			0.000	
26	Replacement White Fleet (Vans etc.)	2018/19	0.000	0.088	0.088			0.088	
27	Replacement Pumps	2019/20	1.840	(1.840)	0.000			0.000	
28	Replacement Response Vehicles	2019/20	0.357	(0.035)	0.322			0.322	
29	Replacement 4x4	2019/20	0.050	0.065	0.115			0.115	
30	Replacement Water Rescue Vehicle	2019/20	0.065	(0.065)	0.000			0.000	
31	Replacement White Fleet (Vans etc.)	2019/20	0.000	0.059	0.059			0.059	
32	Replacement Pumps	2020/21	1.150	0.690	1.840			1.840	
33	Replacement Response Vehicles	2020/21	0.297	(0.297)	0.000			0.000	
34	Replacement 4x4	2020/21	0.000	0.260	0.260			0.260	
35	Replacement Off-Road Vehicle	2020/21	0.015	(0.015)	0.000			0.000	
36	Replacement White Fleet (Vans etc.)	2020/21	0.000	0.010	0.010			0.010	
37			10.745	(1.825)	0.000	8.910	(0.629)	(0.736)	7.545
<u>Other Schemes</u>									
38	C&C Replacement	2010/11	2.287		2.287	(1.954)	(0.010)	0.323	
39			2.287	0.000	0.000	2.287	(1.954)	(0.010)	0.323
<u>Minor Schemes requiring SMB allocation</u>									
40	Allocated Schemes	older	1.641		1.641	(0.179)	(0.928)	0.534	
41	Minor Property/IT/Comms/Equipment	2016/17	0.600		0.600			0.600	
42	Minor Property/IT/Comms/Equipment	2017/18	0.600		0.600			0.600	
43	Minor Property/IT/Comms/Equipment	2018/19	0.600		0.600			0.600	
44	Minor Property/IT/Comms/Equipment	2019/20	0.600		0.600			0.600	
45	Minor Property/IT/Comms/Equipment	2020/21	0.600		0.600			0.600	
46			4.641	0.000	0.000	4.641	(0.179)	(0.928)	3.534
47			41.801	(1.825)	8.111	48.077	(11.734)	(5.690)	30.653

Individual scheme sums approved by Fire Authority, but not currently disclosed as contracts subject to tender etc.

Hereford & Worcester Fire Authority 2017/18
Personnel Budget

	Whole-time Firefighters FTE	On-Call Retained Firefighters H/C	Control Room Staff FTE	Non- Uniformed Support FTE	TOTAL
Included in Budget 2016/17	232.0	383.0	18.5	103.4	736.9
HR - Supporting RDS recruitment				1.0	1.0
Included in Budget 2017/18	232.0	383.0	18.5	104.4	737.9

Hereford & Worcester Fire Authority 2017/18
Revenue Budget

<i>Col.</i>		2	3	4	5	6
<i>Line</i>		Core Budget	Excess Staff	Second Income	Bud Red Reserve	NET Budget
		£m	£m	£m	£m	£m
1	2016/17 Budget	31.693	1.171	(0.241)	(0.631)	31.992
2	Saving from 2016 Pay award provision	(0.281)				(0.281)
3	Saving from 2016/17 Inflation provision	(0.156)				(0.156)
4	Pay Awards	0.227				0.227
5	General Inflation Contingency	0.200				0.200
6	LGPS Revaluation	0.090				0.090
7	"Apprentice" Levy	0.070				0.070
8	PPL - Business Case Savings	(0.042)				(0.042)
9	HQ Rental Service Charges	(0.050)				(0.050)
10	Capital Programme	(0.064)				(0.064)
11	2017/18 Projected Core Expenditure Need	31.687	1.171	(0.241)	(0.631)	31.986
12	Excess Staff		(0.134)			(0.134)
13	Secondment Income			0.241		0.241
14	Use of Budget Reduction Reserve				(0.406)	(0.406)
15	2017/18 Net Budget	31.687	1.037	0.000	(1.037)	31.687

Hereford & Worcester Fire Authority 2017/18

Revenue Budget Allocation

Col.		(2)	(3)	(4)	(5)	(6)	(8)
		2016/17 Original Budget £m	2016/17 Permanent Reallocation £m	2016/17 Pay Awards £m	2016/17 Revised Budget £m	2017/18 Changes Appendix 3 £m	2017/18 Proposed Allocation £m
Line							
1	Whole-time Fire-fighter Pay	11.994		0.099	12.093		12.093
2	Retained Fire-fighter Pay	3.443	(0.030)	0.026	3.439		3.439
3	Control Pay	0.722		0.006	0.728	0.002	0.730
4	Support Pay	3.186	0.030	0.032	3.248	0.008	3.256
5	Other Employee Costs	0.061			0.061	0.070	0.131
6	Unfunded Pension Costs	0.975			0.975	0.080	1.055
7	Employee Related	20.381	0.000	0.163	20.544	0.160	20.704
8	Strategic Management	0.108	(0.014)		0.094		0.094
9	New Dimensions	0.109	(0.014)		0.095		0.095
10	Operational Policy	0.078	(0.013)		0.065		0.065
11	Technical Fire Safety	0.016			0.016		0.016
12	Community Safety	0.174	(0.003)		0.171		0.171
13	Training	0.575			0.575		0.575
14	Fleet	0.558	(0.030)		0.528		0.528
15	Operational Logistics	1.563	(0.402)		1.161		1.161
16	Information & Comms Technology	1.192	0.402		1.594		1.594
17	Human Resources/Personnel	0.327	0.077		0.404		0.404
18	Policy & Information	0.088	(0.006)		0.082		0.082
19	Corporate Communications		0.022		0.022		0.022
20	Legal Services	0.028			0.028		0.028
21	Property/Facilities Management	1.789	0.045		1.834	(0.042)	1.792
22	PPL Charges	0.378	(0.037)		0.341		0.341
23	Authority Costs	0.059	0.005		0.064		0.064
24	Committee Services		0.004		0.004		0.004
25	Insurances	0.291	0.025		0.316		0.316
26	Finance (FRS)	0.022			0.022	(0.050)	(0.028)
27	Finance SLA	0.098			0.098		0.098
28	Budget-Holders	7.453	0.061	0.000	7.514	(0.092)	7.422
29	Capital Financing	3.189			3.189	(0.064)	3.125
30	Capital Financing	3.189	0.000	0.000	3.189	(0.064)	3.125
31	Pay Award Provision 16/17	0.444		(0.163)	0.281	(0.281)	0.000
32	Pay Award Provision 17/18	0.000			0.000	0.227	0.227
33	Inflation Contingency 16/17	0.200	(0.044)		0.156	(0.156)	0.000
34	Inflation Contingency 17/18	0.000			0.000	0.200	0.200
35	Unallocated Budget	0.026	(0.017)		0.009		0.009
36	Provisions/Contingencies	0.670	(0.061)	(0.163)	0.446	(0.010)	0.436
37	Core Budget	31.693	0.000	0.000	31.693	(0.006)	31.687
38	Excess Staff (net)	1.171			1.171	(0.134)	1.037
39	Secondment Income	(0.241)			(0.241)	0.241	0.000
40		0.930	0.000	0.000	0.930	0.107	1.037
41	To/(from) Budget Reduction Reserve	(0.631)			(0.631)	(0.406)	(1.037)
42	To/(from) Other Reserve	0.000	0.000		0.000		0.000
43		(0.631)	0.000	0.000	(0.631)	(0.406)	(1.037)
44	Net Budget	31.992	0.000	0.000	31.992	(0.305)	31.687

Hereford & Worcester Fire Authority 2017/18 Medium Term Financial Forecasts

Col Row	1	2 2017/18 Budget £m	2 2018/19 Forecast £m	3 2019/20 Forecast £m	4 2020/21 Estimate £m
1	PRIOR YEAR CORE BUDGET	n/a	31.687	31.925	33.069
2	Pay Awards		0.227	0.227	0.227
3	General Inflation Contingency		0.300	0.300	0.300
4	LGPS Revaluation		0.010	0.010	
5	Capital Programme		(0.267)	0.361	
6	FF Pensions Employers Contribution Rates			0.315	
7	JPV Savings		(0.032)	(0.069)	0.000
8	ESMCP Provision				(0.020)
9	CORE BUDGET FORECAST	31.687	31.925	33.069	33.576
	One-Off Costs				
10	Excess Staff	1.037	0.589	0.096	
11	to/(from) Budget Reduction Reserve	(1.037)	(0.589)	(0.096)	
12	GROSS BUDGET FORECAST	31.687	31.925	33.069	33.576
13	to/(from) CSR Phasing Reserve	(0.574)	(0.386)		
14	to/(from) General Balances		(0.300)		
15	to/(from) NNDR Reserve	(0.045)			
16	BUDGET REQUIREMENT FORECAST	31.068	31.239	33.069	33.576
		2017/18 Budget £m	2018/19 Forecast £m	2019/20 Forecast £m	2020/21 Estimate £m
17	Assumed Business Rate increase		2.00%	2.00%	2.00%
18	Indicative Grant Reductions		-10.00%	-5.50%	-10.00%
19	Assumed Tax-base Increase		1.40%	1.30%	1.20%
20	Assumed Band D Tax Increase		1.96%	1.96%	1.96%
21	Consolidated Revenue Support Grant	(6.266)	(5.681)	(5.406)	(4.865)
22	Transitional Grant	(0.142)			
23	Fire Revenue Grant	(1.085)	(0.985)	(0.835)	(0.835)
24	Rural Services Delivery Grant	(0.088)	(0.067)	(0.088)	
25	Retained Business Rates & Section 31 Grant Business Rates Collection Fund	(2.341) (0.025)	(2.388)	(2.435)	(2.483)
27	Council Tax Precept	(21.636)	(22.369)	(23.104)	(23.840)
28	Council Tax Collection Fund	(0.238)			
29	PROJECTED RESOURCES	(31.821)	(31.490)	(31.868)	(32.023)
		2017/18 Budget £m	2018/19 Forecast £m	2019/20 Forecast £m	2020/21 Estimate £m
30	BUDGET GAP	(0.753)	(0.251)	1.201	1.553
31	Further use of Budget Reduction Reserve	0.753	0.251	(1.201)	(1.553)
32	BALANCED BUDGET	0.000	0.000	0.000	0.000
				TOTAL	(1.750)

Hereford & Worcester Fire Authority 2017/18
Council Tax Requirement Calculation

	2016/17 Total	2017/18 Expenditure	2017/18 Income	2017/18 Reserves	2017/18 Total
Core Budget	£31,693,000.00	£31,928,000.00	(£241,000.00)		£31,687,000.00
Net Cost Excess Staff	£1,171,000.00	£1,037,000.00			£1,037,000.00
Secondment Income	(£241,000.00)		£0.00		£0.00
To/(From) Budget Reduction Reserve- Excess Staff	(£631,000.00)			(£1,037,000.00)	(£1,037,000.00)
To/(From) Budget Reduction Reserve- Other	£0.00			£753,440.00	£753,440.00
To/(From) Grant Reduction (CSR) Reserve	£0.00			(£574,000.00)	(£574,000.00)
To/(From) NNDR Reserve	£0.00			(£45,718.00)	(£45,718.00)
Less: Formula/Support Grants:					
Revenue Support Grant	(£4,464,270.00)		(£3,113,008.00)		(£3,113,008.00)
Business Rate Top Up Grant	(£2,844,626.00)		(£3,152,927.00)		(£3,152,927.00)
Transition Grant	(£113,064.00)		(£142,347.00)		(£142,347.00)
Less: Other Grants					
S31: Fire Revenue Grant (Firelink/New Dimensions)	(£1,085,279.00)		(£1,085,279.00)		(£1,085,279.00)
Rural Services Delivery Grant	(£108,451.00)		(£87,569.00)		(£87,569.00)
Less: Retained Share of Business Rates (1%)					
Baseline	(£2,360,659.00)		(£2,158,630.00)		(£2,158,630.00)
Local Forecasts	(£17,680.00)		(£14,417.00)		(£14,417.00)
Collection Fund Deficit/(Surplus)	£274,159.00		(£25,053.00)		(£25,053.00)
S31: Business Rate Initiatives	(£134,808.00)		(£167,720.00)		(£167,720.00)
GROSS PRECEPT	£21,137,322.00	£32,965,000.00	(£10,187,950.00)	(£903,278.00)	£21,873,772.00
Less: Collection Fund Deficits/(Surpluses)					
Bromsgrove	(£57,602.00)		(£30,220.00)		(£30,220.00)
Herefordshire	(£70,027.00)		(£60,000.00)		(£60,000.00)
Malvern Hills	£0.00		(£19,580.00)		(£19,580.00)
Redditch	(£36,585.00)		(£2,616.00)		(£2,616.00)
Worcester	(£28,186.00)		(£44,920.00)		(£44,920.00)
Wychavon	(£61,307.00)		(£50,283.00)		(£50,283.00)
Wyre Forest	(£32,595.00)		(£30,085.00)		(£30,085.00)
COUNCIL TAX REQUIREMENT	£20,851,020.00	£32,965,000.00	(£10,425,654.00)	(£903,278.00)	£21,636,068.00
Tax-base : Band D Equivalent					
Bromsgrove	35,404.87				36,056.65
Herefordshire	66,873.00				67,598.21
Malvern Hills	29,373.25				30,005.92
Redditch	25,144.49				25,509.11
Worcester	30,643.00				31,141.00
Wychavon	47,158.02				48,704.25
Wyre Forest	32,727.00				33,034.00
	267,323.63				272,049.14
Precept - Band D Equivalent	£77,999,165				£79,530,000
Band D (rounded to 2 decimal places)	£ 78.00				£ 79.53
Total Precept on Billing Authorities					
Bromsgrove	£2,761,550.31				£2,867,585.35
Herefordshire	£5,216,038.18				£5,376,085.62
Malvern Hills	£2,291,088.98				£2,386,370.81
Redditch	£1,961,249.23				£2,028,739.51
Worcester	£2,390,128.42				£2,476,643.72
Wychavon	£3,678,286.20				£3,873,448.98
Wyre Forest	£2,552,678.68				£2,627,194.01
	£20,851,020.00				£21,636,068.00
check		£0.00			£0.00
Equivalent to Tax at Band (Ratio to Band D)					
A 6/9	£ 52.0000				£ 53.0200
B 7/9	£ 60.6700				£ 61.8600
C 8/9	£ 69.3300				£ 70.6900
D 9/9	£ 78.0000				£ 79.5300
E 11/9	£ 95.3300				£ 97.2000
F 13/9	£ 112.6700				£ 114.8800
G 15/9	£ 130.0000				£ 132.5500
H 18/9	£ 156.0000				£ 159.0600

Hereford & Worcester Fire Authority 2017/18

Useable Revenue Reserves

Row	2	3	4	5	6
Col	Balance at 31- Mar-2016 £m	Expected use	When	Amount £m	Remaining £m
General (Un-earmarked) Reserves					
1	1.838	in MTFP to support expenditure	2018/19	(0.300)	1.538
2	1.838			(0.300)	1.538
Earmarked Reserves					
3	0.213	PPL to manage delayed expenditure	2016/17	(0.213)	0.000
4	0.394	Funding new Cutting gear	tbc	(0.394)	0.000
5	0.575	Funding new Cutting gear	tbc	(0.575)	0.000
6	0.042	Financing Capital Expenditure	2016/17	(0.042)	0.000
7	0.267	to fund completion of C&C	tbc	(0.267)	0.000
8	0.017	to fund YFA Activity	tbc	(0.017)	0.000
9	0.004		tbc	(0.004)	0.000
10	1.512			(1.512)	0.000
11	0.422				0.422
12	0.600				0.600
13	0.381	funding HVP accommodation	by 2018/19	(0.140)	0.241
14	0.311				0.311
15	0.130	to fund "long-tailed" claims	tbc	(0.130)	0.000
16	0.400	funding potential HMRC Tribunal	2017/18	(0.400)	0.000
17	2.244				1.574
18	1.185	in MTFP to support expenditure	by 2019/20	(0.960)	0.225
19	0.046	in MTFP to support expenditure	2017/18	(0.046)	0.000
20	4.677	in MTFP to support expenditure	by 2019/20	(1.722)	2.955
21	5.908			(2.728)	3.180
22	9.664			(4.240)	4.754
					Remaining £m
				CSR Grant Phasing Reserve	0.225
				Business Rates Reserve	0.000
				Budget Reduction Reserve	2.955
					3.180
		to smooth remaining budget gap		by 2020/21	(1.750)
					1.430

Hereford & Worcester Fire Authority **Statement of Prudential Indicators** **and Minimum Revenue Provision Policy**

Introduction : Prudential Indicators

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. Since 1 April 2004, Local Authorities are no longer subject to government controlled borrowing approvals and are free to determine their own level of capital investment controlled by self-regulation.

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 Fire Authority should operate to ensure the objectives of the Prudential Code are met.

Introduction : Minimum Revenue Provision (MRP) Policy

This is the amount charged every year to provide for the repayment of long term loans used to finance capital assets.

Under provisions of the Local Authorities (Capital Finance and Accounting) (England) Amendment) Regulations 2008, the FRA is required to “determine an amount of MRP which is considered to be prudent”.

The Fire Authority has a statutory requirement to determine an MRP policy prior to the start of the financial year.

In considering a prudent MRP policy the Fire Authority needs to take into account the statutory guidance provided by CLG, and the issue of affordability. The guidance states that “provision for the borrowing which financed the acquisition of an asset should be made over a period bearing some relation to that over which the asset continues to provide a service” – the “Asset Life” method.

Prudential Indicators

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

1. Net Borrowing and the Capital Financing Requirement

This Prudential Indicator provides an overarching requirement that all the indicators operate within and is described in the Prudential Code as follows:

“In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years”.

The Treasurer reports that the Fire Authority had no difficulty meeting this requirement since 2002/03, nor are any difficulties envisaged for the current or future years. This view takes into account all plans and commitments included in the 2017/18 Budget and MTFP.

2 Capital Expenditure

The actual amount of capital expenditure that was incurred since 2014/15, and the estimates of capital expenditure to be incurred for the current and future years that are proposed in the 2016/17 Budget and MTFP are as follows:

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000	£000
Capital Expenditure	3,315	5,813	7,310	14,458	4,269	2,710
Leased Assets	52	-	-	-	-	-
	3,367	5,813	7,310	14,458	4,269	2,710

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 Fire 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 Fire and Rescue Authority's budget net of any transfers to or from the balances.

The prediction of the Net Revenue Stream in this Prudential Indicator for future years assumes increases in the Fire Authority's funding from government and the local taxpayer consistent with expectations in the Medium Term Financial Strategy. This is indicative only and in no way meant to influence the actual future years funding or in particular the funding from Precepts.

The indicator only requires that the costs associated with capital expenditure are measured in this way. However the Fire 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.

The rise in this ratio is partially due to the fact that capital expenditure prior to the formation of the FRA is not charged to the Fire Authority; (In other words, the Fire Authority inherited all its assets without any cost. Thus, as investment is made in vehicles, for example the increased costs are in the Fire Authority accounts but the savings are elsewhere); and partly due to inflation between original purchase and replacement purchase e.g. over 15 years for a fire appliance.

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000	£000
Financing Costs	1,726	2,689	2,875	2,608	2,608	2,608
Net Revenue Stream	31,059	30,907	30,712	30,478	31,006	31,161
Ratio	5.56%	8.70%	9.36%	8.56%	8.41%	8.37%

3. Capital Financing Requirement

The capital financing requirement (CFR) is a measure of the extent to which the Fire 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 Fire 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 flows 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.

Estimates of the end of year capital financing requirement are shown below

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000	£000
CFR at 31st March	18,142	19,139	23,240	28,213	30,308	30,844

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. This limit includes a risk assessment of exceptional events taking into account the demands of revenue and capital cash flows. The Authorised Limit gauges events that may occur over and above those transactions which have been included in the Operational Boundary.

These limits are higher than set in previous years to reflect the decisions taken by the Fire Authority to switch from leasing to more cost effective borrowing for the acquisition of operational vehicles.

The Fire Authority should note that the Authorised Limit represents the limit specified in section 3 (1) of the Local Government Act 2003 (Duty to determine affordable borrowing limit).

The following Authorised Limits for external debt, excluding temporary investments are recommended:

	2017/18	2018/19	2019/20	2020/21
Authorized Limit	£000	£000	£000	£000
External Borrowing	28,000	33,000	35,000	36,000

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 Treasurer reports that procedures are in place to monitor the Operational Boundary on a daily basis, via the SLA with WCC and that sufficient authorisation is in place to take whatever action is necessary to ensure that, in line with the Treasury Management Strategy, the cash flows of the Fire Authority are managed prudently.

Occasionally, the Operational Boundary may be exceeded (but still not breach the Authorised Limit) following variations in cash flow. Such an occurrence would follow controlled treasury management action and may not have a significant impact on the prudential indicators when viewed all together.

Both the Authorised Limit and the Operational Boundary include an element relating to debt restructuring where, for the short term only, external borrowing may be made in advance of the repayment of loans. In this circumstance External Borrowing is increased temporarily until the replaced loans are repaid. The converse can also apply where loans are repaid in advance of borrowings.

The following limits (shown overleaf) for each year's Operational Boundary, excluding temporary investments are recommended:

	2017/18	2018/19	2019/20	2020/21
Operational Boundary	£000	£000	£000	£000
External Borrowing	26,000	31,000	33,000	33,000

6. Actual External Debt

The Fire Authority's actual external debt as at 31 March 2015 was £13.971 million; comprising £13.137 million External Borrowing and £0 (zero) Other Long Term Liabilities. During 2015/16 £0.500 million of external debt is scheduled for repayment.

7. The Incremental Impact of Capital Investment Decisions on the Council Tax

This indicator identifies specifically the additional cost to the taxpayer of the **new** capital investment proposed in the 2017-18 – 2020/21 Capital Programme. As the indicator deals only with new investment the impact of the previously approved programme was included in the equivalent report provided to the FRA in Feb 2016.

The incremental impact identifies transactions that will occur **over and above** what has already been provided for in the 2016/17 revenue budget and projected in the MTFP and assumes the funding available in 2016/17 will be carried forward in the future year's base budgets.

The incremental impact has been calculated using forward estimates of funding consistent with expectations in the Medium Term Financial Plan.

The impact on the revenue budget, and therefore the Council Tax, is felt by a combination of the following: debt costs of the new borrowing, the amount set aside from revenue to repay the principal element of external borrowing (Minimum Revenue Provision) and the revenue impact of a capital project

It should be noted that borrowing itself does not fund capital expenditure since the loans have to be repaid eventually. The actual funding comes from the Minimum Revenue Provision which is statutorily charged to revenue each year.

The estimate of the incremental impact of the capital investment detailed in the 2018/19 Budget on the Council Tax is as follows:

	2017/18	2018/19	2019/20	2020/21
Incremental Impact on Band D	-£0.27	-£0.84	-£1.01	-£1.04

PRUDENTIAL INDICATORS FOR TREASURY MANAGEMENT

8. Treasury Management Code of Practice

The Fire Authority has adopted the Chartered Institute of Public Finance and Accountancy (CIPFA): Code of Practice for Treasury Management in the Public Services.

The Treasury Management function is carried out on behalf of the Authority by Worcestershire County Council, who have also adopted the Treasury Management Code of Practice.

9. Fixed Interest Rate Exposures

It is recommended that the Fire Authority sets an upper limit on its fixed interest rate exposures as follows.

Upper limits for net principal sums outstanding at fixed rates

	2017/18	2018/19	2019/20	2020/21
Fixed Interest Rate Exposure	£000	£000	£000	£000
Upper Limit	28,000	33,000	35,000	36,000

This represents the position that all of the Fire Authority's authorised external borrowing may be at a fixed rate at any one time.

10. Variable Interest Rate Exposures

It is recommended that the Fire Authority sets an upper limit on its variable interest rate exposures as follows.

Upper limits for net principal sums outstanding at variable rates

	2017/18	2018/19	2019/20	2020/21
Variable Interest Rate Exposure	£000	£000	£000	£000
Upper Limit	7,000	7,000	9,000	9,000

This is the maximum external borrowing judged prudent by the Treasurer that the Fire Authority should expose to variable rates.

11. Maturity Structure of Borrowing

It is recommended that the upper and lower limits for the maturity structure of borrowings are as follows:

Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate.

Period of Maturity	Upper Limit	Lower Limit
	%	%
Under 12 months	25	0
12 months and within 24 months	25	0
24 months and within 5 years	50	0
5 years and within 10 years	75	0
10 years and above	95	25

12. Investments for longer than 364 days

It is recommended that the upper limits of total principal sums invested for periods longer than 364 days are £5 million for each year.

Minimum Revenue Provision (MRP) Policy

To continue the policy previously adopted i.e.:

1. Vehicle Expenditure before 2008/09 – MRP on a proxy Asset Life basis using original cost, less cumulative MRP, over the remaining useful life of the individual vehicle types.
2. Expenditure before 2008/09, (other than vehicles) - MRP on a proxy Asset Life basis using original cost, less cumulative MRP over average asset life as above
3. All expenditure from 2008/09 onwards - MRP using an Asset life basis:-
 - Buildings over 50 years – per depreciation policy;
 - IT equipment over 5 years - reflecting average life
 - Other Equipment over 7 years – reflecting actual average usage within the FRS;
 - Vehicles – on actual estimated life of each vehicle type

This means that after a specified time (depending on the life expectancy of the individual asset) there will be no further charge to the Revenue Account for MRP in relation to these assets. For a significant proportion of pre-2008/09 assets this point had been reached by 2014/15.

Report of Area Commander, Head of Operations

Review of Crewing Levels

Purpose of report

1. To inform Members of the outcome of a review of crewing levels against the £0.8m allocated to temporarily maintain a crew of 5 on wholetime based fire engines.

Recommendations

It is recommended that the following be noted:

- i. the temporary period of enhanced standard crewing levels of 5 on all first fire engines whenever possible has now come to an end;*
- ii. the £0.8m provided for the 2 year period to support this initiative is now exhausted;*
- iii. work is underway to provide options for increased future resilience at no extra cost.*

Introduction and Background

2. At the Fire Authority meeting on 1 October 2014 Members were informed that:

“Having four firefighters on a fire engine is considered safe: it occurred on 1,303 occasions in 2013-14 (15% of all mobilisations), and approximately 900 of these occasions were on the first fire engine. The safety of firefighters is very much dependent on their equipment (including Personal Protective Equipment), their training and procedures and, very importantly, the command and control exercised by their leaders at an incident. Having four on a fire engine may, on occasions, mean it takes slightly longer to carry out a task, or series of tasks, but it does not make tasks any less safe than having five on a fire engine. The Service would still do all it can to achieve five firefighters on fire engines but should any of the five options be selected (subject to paragraph 17 below), standard crewing would be considered to be four”.

3. At the same meeting, the Authority agreed that:

“the Service aims to have five firefighters on all first fire engines whenever possible but agrees that standard crewing for all fire engines be four firefighters”.

4. It was also agreed that:

“Up to £0.8m of reserves in total (£0.3m general reserves and £0.5m from the budget reduction earmarked reserve) be used to maintain five firefighters on all wholetime

based first fire engines (except those at Hereford and Worcester) on as many occasions as possible for an initial period of two years (2015/16 and 2016/17) and that the position be reviewed thereafter.”

5. The changes to fire cover arrangements were to be implemented *“in a timescale and manner at the discretion of the Chief Fire Officer in consultation with the Chairman of the Authority”*.

6. In February 2015, it was also reported to the Authority that:

“Following implementation of the CRMP staff reductions there will be a surplus of uniformed staff in post above that approved for the Wholetime establishment.

The Authority had already approved the use of £0.800m of reserves (including £0.300m from general balances) to provide a higher number of firefighters on duty as often as possible for a two year period, which absorbs some of the excess cost.”

7. As a result of these decisions the new temporary fire cover arrangements were successfully put in place at the earliest opportunity, April 2015, and have culminated in a review at the conclusion of the identified two year period in order to help understand how effective these measures have been and to inform the development of appropriate future crewing arrangements.

Review

8. The review of the temporary crewing arrangements was carried out to establish the following:

- How many times during the initial period were the wholetime appliances at Kidderminster, Redditch, Malvern, Droitwich and Bromsgrove crewed with 5 personnel and how this was achieved.
- To seek confirmation that the use of £0.8m of reserve funding has been exhausted.
- To seek confirmation that the revised standard crewing level of four firefighters on all fire engines has been successfully implemented.

Findings

9. Between April 2015 and January 2017, the appliances at Kidderminster, Redditch, Bromsgrove, Malvern, Evesham and Droitwich were crewed with 5 on 77% of occasions.

10. This was as a result of a combination of methods including use of the resilience register, funding of excess staff above the establishment of 232 and flexible use of other Service resources.

11. The review has found that the amount of funding originally made available from reserves is likely to have been spent by the end of the 2 year period at 31 March 2017. This has been through use of the Resilience Register arrangements and to support the costs of excess staff available to provide the additional crewing.
12. The revised standard crewing level of four firefighters on all fire engines has been successfully implemented. Between April 2015 and January 2017 the wholetime fire appliances at Kidderminster, Redditch, Bromsgrove, Malvern, Evesham and Droitwich have been crewed with 4 on 23% occasions with operational safety and effectiveness maintained at all times. Therefore, whilst riding with 5 firefighters is popular with staff, as it will always provide Incident Commanders with a welcome additional resource at any incident, there is no operational imperative to continue to support this enhanced level of resource provision under existing crewing arrangements; to continue with such an over-provision at this time would incur an additional cost of approximately £400k pa.
13. It should be noted however that during this period, due to the expectations of the Home Office and the wider Fire Reform Agenda, as well as changes to the Service's Medium Term Financial Plan, which identifies a need to reduce spending by up to £1.6m by 2019/20, the Service has been proactively exploring new and more innovative ways of crewing its frontline resources. This work has progressed well and appears to provide potential opportunities to permanently enhance crewing levels above the level of 4 whilst reducing costs and maintaining the same service to the public. Successful implementation of such arrangements will however be dependant upon the flexibility and willingness of staff to change their existing working arrangements. This work has progressed to a point where discussions with staff and Representative Bodies can now take place and any significant developments in this area will be reported to the Authority in the appropriate manner.

Conclusions

14. The Service has successfully implemented a temporary period of enhanced standard crewing levels as directed by the Authority in October 2014. However this temporary arrangement has now come to an end and the Service is now able to confidently revert to the previously agreed crewing level of 4 on all wholetime appliances.
15. However, a review of crewing systems is underway with the objective of increasing resilience across the Service and providing crewing models that can provide for a crew of 5 on the first wholetime appliance at Kidderminster, Redditch, Bromsgrove, Malvern, Evesham and Droitwich on as many occasions as possible at no additional cost to the Service and with no change to service provision.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	No additional resource requirements
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications)	Link to Medium Term Financial Plan
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores)	Maintaining the agreed crewing level does not add additional risk
Consultation (identify any public or other consultation that has been carried out on this matter)	Conducted during CRMP
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	CRMP

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Report of the Deputy Chief Fire Officer

Pay Policy Statement

Purpose of report

1. To bring to the attention of the Authority the requirement for the Service to publish its annual Pay Policy Statement for year 2017/18.
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Recommendation

It is recommended that the Pay Policy Statement and supporting information be approved for publication.

Introduction and Background

2. The Fire Authority is required by section 38(1) of the Localism Act 2011 (openness and accountability in local pay) to prepare and publish annual pay policy statements. These statements articulate an Authority's own policies towards a range of issues relating to the pay of its workforce, particularly its senior staff, Chief Officers and its lowest paid employees. They are required to be approved by the Fire Authority and published on the Authority's website on an annual basis.

Pay Policy

3. The Act requires that authorities include in their pay policy statements, their approach to the publication of and access to information relating to the remuneration of Chief Officers. Remuneration includes salary, expenses, bonuses, performance related pay as well as severance payments.
4. The definition of Chief Officers (as set out in section 43(2)) is not limited to Heads of Paid Service or statutory Chief Officers. It also includes those who report directly to them (non-statutory Chief Officers), and the people who report directly to them. The Act sets out the information that authorities are required to include in their pay policy statements as a minimum.

Conclusion/Summary

5. It is a requirement that the Authority's approach to pay, as set out in the attached Pay Policy Statement, is accessible for citizens and enables local taxpayers to take an informed view of whether local decisions on all aspects of remuneration are fair and make best use of public funds. The Pay Policy Statement is accessible on the Authority's website.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	There are legal issues referenced in paragraph numbers 2, 3, 4 and 5 in the report.
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	N/A
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)	N/A
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	N/A

Supporting Information

Appendix 1 - Pay Policy Statement

Appendix 2 – Pay Grades 2017/18

Appendix 3 – Other Main Pay Grades

Appendix 4 – Grades and Staff in Post

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Hereford & Worcester Fire Authority Pay Policy Statement

Introduction

Pay for all Hereford & Worcester Fire Authority (H&WFA) staff is determined by the Local Government Employers with the Employers' Sides of the National Joint Council for Local Authority Fire and Rescue Services, the Middle Managers' Negotiating Body, the NJC for Brigade Managers of Local Authority Fire and Rescue Services, the Fire and Rescue Authority locally and representative bodies nationally. Pay awards are considered annually for all staff.

Pay Framework

Terms and conditions of employment for staff within the Fire Authority pay framework are set nationally with any variations negotiated and agreed locally.

Pay Grades and Progression

For uniformed staff, new firefighters will be appointed to the trainee rate of pay. Once their initial training has been completed, the employee will move to development rate of pay and once they have successfully completed their development programme, they will move to competent rate of pay. Existing employees who are promoted will commence on development rate of pay and will move to competent rate of pay upon completion of the workplace assessment.

For non-uniformed support staff, new employees will usually be appointed to the bottom of the scale point / pay grade for the relevant grade. There are occasions when a higher scale point is offered where the employee comes from a role that is paid at a higher level **and** they have additional skills and experience required of the post.

For grades containing between 3 and 5 increments, progression through each scale point is on an annual basis. However, where an employee commences in post after 1st October and up to 31st March, they will receive an increment six months later and then annually on 1st April. The date of progression is normally 1st April each year until the top of the grade is reached.

Market Forces

Where necessary the Service may apply market supplements for specific roles in order to ensure that it can recruit the best staff. This approach will only be adopted where there is clear evidence of recruitment difficulty and any such payments will be time limited and reviewed annually. We do currently pay market supplements.

Pay Allowances

There are a number of allowances paid to employees where specific circumstances require this and where it can be justified, for example to cover additional responsibilities over and above pay grades. Allowances are negotiated nationally or locally through collective bargaining arrangements and/or as determined by Service policy.

Non Uniformed Support Staff

The H&WFA pay framework for non-uniformed support staff was implemented in 2003 in line with national guidance, with the grade for each role being determined by the national Greater London Provincial Council (GLPC) Job Evaluation scheme. The Scheme was developed to support Local Authorities in carrying out their obligations under the national agreement on single status. The national agreement required all Local Authorities, and a number of other public sector employers, to review their pay and grading frameworks to ensure fair and consistent practice for different groups of workers with the same employer.

The grading structure was reviewed and implemented in 2012 for non-uniformed Senior Management posts, PO3 and above.

For non-uniformed support staff any outcome of national consultations by the Local Government Employers in negotiation with the Trade Unions is applied in April each year.

Uniformed Staff

The H&WFA pay framework for operational staff was reviewed in 2003 and implemented in December 2003 following a rank-to-role exercise in line with national guidance, with the grade for each role being determined by a consistent job evaluation process.

For operational staff any outcome of national consultations by the Local Government Employers in negotiation with the Trade Unions is applied in July each year.

Chief Fire Officer /Chief Executive's Pay

The Chief Fire Officer/Chief Executive's pay is considered by the Fire and Rescue Authority. Account is taken of relevant available information, including the salaries of Chief Officers in other comparable Fire and Rescue Services nationally. To support the pay review, information may be provided on inflation, earnings growth and any significant considerations from elsewhere in the public sector. The last review of the Chief Fire Officer's pay was in September 2007.

The Authority has adopted the following pay levels for the Principal Officer team:

- Deputy Chief Fire Officer (DCFO) – 80.14% of CFO
- Assistant Chief Fire Officer (ACFO) – 75.13% of CFO
- Director of Finance – 80% of ACFO

The Treasurer is part of the Director of Finance's role for which a specific honorarium is paid and this is reviewed periodically.

Latest National Pay Award

Annual pay awards normally take place as follows:

- Chief Officers' - January
- Non-uniformed support staff - April
- Uniformed staff - July

The last annual pay award for these groups were as follows:

- Chief Officers - January 2016
- Non-uniformed support staff - April 2017
- Uniformed staff - July 2016

Appendix 1 and 2 details the remuneration relating to the above groups.

Other Employment-Related Arrangements

Pension Schemes

These are the pension schemes that we operate for our employees:

- Local Government Pension Scheme (LGPS)
- 1992 Firefighter Pension Scheme
- 2006 Firefighter Pension Scheme
- Firefighters' Pension Scheme 2006 (Modified)
- The Firefighters' Pension Scheme 2015 (England)

In accordance with the Public Service Pensions Act 2013, the Authority has established a Pensions Board for the Firefighter's Pension Scheme.

Employment Arrangements

Due to the nature and responsibilities of their role, Senior Managers are normally employed on full time permanent employment contracts. The Services' policy and procedures with regards to recruitment of Chief Officers' is set out within the Officer Employment Procedure Rules as set out in Part 4 of the Fire Authority Constitution.

When recruiting to all posts the Service will take full and proper account of its own Equal Opportunities, Recruitment and Redeployment Policies. The determination of the remuneration to be offered to any newly appointed Chief Officer will be in accordance with the pay structure and the relevant policies in place at the time of recruitment.

Payments on Termination of Employment

The Services' approach to statutory and discretionary payments on termination of employment for all staff prior to reaching normal retirement age are in accordance with the Services' Redundancy Policy and relevant terms and conditions as follows:-

- Arrangements for non-uniformed staff are set out within the Services' LGPS Discretions Policy Statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment), (Discretionary Compensation) Regulations 2006 [and if adopted] Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007.
- Arrangements for uniformed staff are set out within the relevant conditions of service i.e. NJC for Brigade Managers' of Local Authority Fire and Rescue Services and the NJC for Local Authority Fire and Rescue Services.

The Authority agreed on 18 February 2015 the discretion to pay a voluntary redundancy to all employee groups based on the number of statutory weeks x actual weekly pay, enhanced by 75%. On the 8 October 2015, the Authority extended the Scheme of Delegation to permit the CFO to approve early retirements, in consultation with the Chairman and Treasurer, in the case of employees whose salary is less than £45,000 to include Officers at Station Commander rank subject to the pension costs still not exceeding £45,000. Where it is above £45,000 the decision will be taken by the Policy & Resources Committee.

The Service operates a Flexible Retirement Policy which was agreed by the Policy and Resources Committee of the FRA at its meeting on 25 January 2012. This policy applies to all staff in all relevant pension schemes. The Fire Authority offers re-employment as an option to fill specific post(s) where there is a shortage of skills/experience within the remaining workforce.

Where the Authority has defined a specific need a business case must be produced by the relevant Head of Department showing that there are clear benefits for the Authority to offer a re-employment opportunity. Part of the business case will include whether to offer the post out to open competition.

Mandatory Gender Pay Gap Reporting

Hereford & Worcester Fire Authority will be required to publish information regarding the Service's Gender Pay Gap, as required under new Equality and Discrimination legislation.

The Authority is awaiting the release of full guidance on the legislation for public sector organisations before it publishes this information and has tasked the piece of work to the Organisational Development Working Group to undertake, as part of the Authority's broader Equality and Diversity initiative.

Appendix 2

Pay Grades 2017/18 Job	Remuneration	Pay Relationship to CFO (%)	Salary Range	
			Min	Max
1. Head of Paid Service				
Chief Fire Officer / Chief Executive	£124,712	Recommended by Appointments Committee		
2. Statutory Chief Officer				
Treasurer (Part of Director of Finance role) receives an additional £3,000 honorarium for the extra responsibility of Treasurer				
Monitoring Officer (Part of Head of Legal Services role)				
3. Non Statutory Chief Officer				
Deputy Chief Fire Officer (DCFO)	£99,943	80.14		
Assistant Chief Fire Officer (ACFO)	£93,696	75.13		
Director of Finance (excluding Treasurer role)	£74,956	60.10		
Head of Legal Services	£62,375	50.00	£58,775	£62,375
4. Deputy Chief Officer				
Area Commander Service Delivery	£73,464 *	58.91	£66,973	£73,464
Area Commander Community Risk & Training	£73,464 *	58.91	£66,973	£73,464
Area Commander Operations Support	£73,464 *	58.91	£66,973	£73,464
Area Commander (Police Collaboration) (temporary)	£68,022 **	54.54	£62,012	£68,022
Head of Corporate Services	£62,375	50.00	£58,775	£62,375
Finance Manager	£47,589	38.16	£43,821	£47,589
5. Lowest Paid Employees***				
Uniformed				
Firefighter (Control)	£21,125	16.94	£21,125	£28,156
Non Uniformed				
Administrator	£16,781	13.45	£16,781	£17,772

Notes:

*** includes 20% allowance to provide out of hours fire cover on a continuous rota system and includes an additional 8% enhancement to provide a higher level of fire cover responsibility.**

**** includes 20% allowance to provide out of hours fire cover on a continuous rota system.**

***** The lowest paid workers (administrators) are paid in accordance with their job evaluation score which matches across to Scale 3 of the Services' Pay and Grading structure which is the lowest grade**

The Head of Paid Service, Director of Finance, Deputy Chief Fire Officer, Assistant Chief Fire Officer and Area Commanders are provided with a motor vehicle for work purposes. Any private use is chargeable.

The Head of Legal Services and the Head of Corporate Services receive an essential mileage car user allowance in accordance with the NJC provisions.

The Head of Paid Service, all statutory and non-statutory Chief Officers and all Deputy Officers are provided with a mobile phone and tablet for work purposes. Any private use is chargeable.

Other Main Pay Grades

	Grade	Pay Range Minimum	Pay Range Maximum	No of Staff In Post		
Non Uniformed Pay Grades						
PO7		£58,775	£62,375	2		
PO6		£52,924	£56,077	0		
PO5		£47,442	£50,443	1		
PO4 *		£42,663	£46,010	1		
PO3 *		£37,306	£40,057	1		
PO2		£33,437	£36,379	3		
PO1		£30,153	£32,486	13		
SO2		£28,485	£30,153	6		
SO1		£25,951	£27,668	12		
Scale 6		£23,398	£24,964	12		
Scale 5		£20,661	£22,658	15		
Scale 4		£18,070	£20,138	9		
Scale 3		£16,781	£17,772	32		
Total				107		
Uniformed Pay Grades **						
				WT	RDS	Total
Area Commander		£51,677	£56,685	3		3
Group Commander		£44,018	£48,796	8		8
Station Commander		£38,220	£42,154	16		16
Station Commander Control		£36,309	£40,046	1		1
Watch Commander		£33,569	£36,745	51	19	70
Watch Commander Control		£31,891	£34,908	2		2
Crew Commander		£31,501	£32,858	31	56	87
Crew Commander Control		£29,926	£31,215	5		5
Firefighter		£22,237	£29,638	130	301	431
Firefighter Control ***		£21,125	£28,156	15		15
Total				262	376	638

* 2 employees are protected on the old salary levels

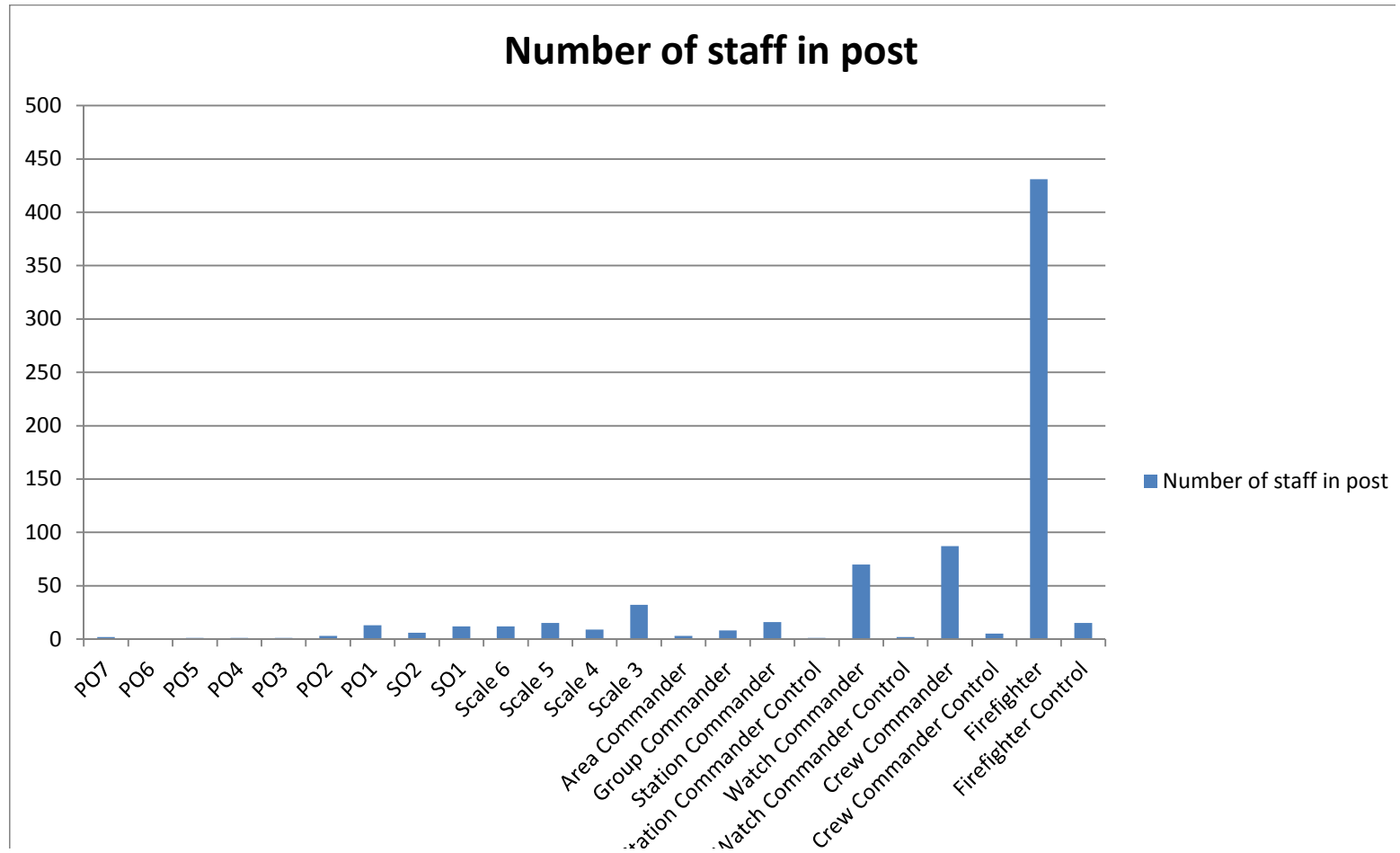
** These figures are headcount not full time equivalent. Retained duty system employees have a different pay structure to wholetime – a retaining fee of 7½% or 10% of the equivalent wholetime rate, depending on cover, plus the same hourly rate as wholetime.

*** This number includes 2 contingent firefighters

NOTES - Number of staff in post is at 20th December 2016 and are based on people in their substantive roles.

Grades and Staff in Post

PO7	2
PO6	0
PO5	1
PO4	1
PO3	1
PO2	3
PO1	13
SO2	6
SO1	12
Scale 6	12
Scale 5	15
Scale 4	9
Scale 3	32
Area Commander	3
Group Commander	8
Station Commander	16
Station Commander Control	1
Watch Commander	70
Watch Commander Control	2
Crew Commander	87
Crew Commander Control	5
Firefighter	431
Firefighter Control	15



Report of the Head of Legal Services

Members' Allowances Scheme 2017/18

Purpose of report

1. To consider whether to make any alterations to the Members' Allowances Scheme for 2017/18 in light of the small change in the Consumer Price Index to December 2016.
-

Recommendation

It is recommended that Members determine the level of Members' Allowances for 2017/18.

Introduction and Background

2. The Authority is required to make a scheme each year for its Members to be paid a basic annual allowance, under the Local Authorities (Members' Allowances) (England) Regulations 2003. Authorities may also make provision for other allowances, for example for those Members with special responsibilities or for travel and subsistence. The proposed 2017/18 budget for Members' Allowances is £51,300.
3. The Regulations allow for authorities to refer to an index for the purpose of any annual adjustments to the levels of allowances. However, authorities are not allowed to rely on such an index for longer than four years without seeking a recommendation from their relevant Independent Remuneration Panel (IRP). As the Fire Authority does not have its own IRP, such matters are referred to the IRP of each constituent authority (Herefordshire Council and Worcestershire County Council).

Consumer Price Index

4. The Authority has used the Consumer Price Index (CPI) for the purpose of annually adjusting Members' Allowances since 2008, however the Authority did not agree to take any uplift until February 2016, which provided a slight increase of 0.2% for the financial year 2016/17.
5. The Office of National Statistics has reported that the CPI rose by 1.6% in the year to December 2016. This is the highest rate since July 2014, when it was also at 1.6%. By way of example, an increase of 1.6% would equate to an additional £18.65 on the current basic allowance of £1,165.80 and would increase the total annual cost of Members' Allowances by approximately £800.

6. The previous recommendation by the Herefordshire and Worcestershire IRPs in relation to the use of the CPI by the Authority expires at the end of this financial year (31 March 2017). In line with the Regulations, further views of the IRPs have been sought in relation to the continued use of the CPI for a further four years.
7. The IRPs have not been in a position to provide a view to the Authority regarding the continued use of the CPI, however the Authority is required to make a scheme at the beginning of each year. In light of this, Members are asked to determine whether to make any alterations to the Members' Allowances Scheme for 2017/18.

Conclusion/Summary

8. The Authority has used the CPI to make any necessary annual adjustments to its Members' Allowances Scheme in line with the previous recommendation by the Herefordshire and Worcestershire IRPs. Further views of the IRPs have been sought in relation to the continued use of the CPI for a further four years.
9. The IRPs have been unable to provide a view to the Authority on the use of the CPI. As the Authority is required to make a Members' Allowances Scheme on an annual basis, it is recommended that the Authority determines whether to make any alterations to the Members' Allowances Scheme.
10. Should the Authority approve an uplift in Members' Allowances for 2017/18 in line with the CPI this would result in an additional £18.65 on the current basic allowance of £1,165.80 and would increase the total annual cost of members' allowances by approximately £800.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	The proposed budget for Members' Allowances is £51,300.
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	None directly.
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	None directly.
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?)	The basic allowance payable is determined by the Regulations, however the current Members' Allowances Scheme also includes a Dependents' Carers' Allowance to assist those Members with caring responsibilities in carrying out their approved duties.

Supporting Information

Appendix 1 – Members' Allowances Scheme 2016/17

Background papers –

Local Authorities (Members Allowances) (England) Regulations 2003

Fire Authority Report and Minutes – 17 June 2015

Inflation and Price Indices – Office for National Statistics www.ons.gov.uk

Contact Officer

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Members' Allowances Scheme 2016/17

Fire Authority Members receive certain allowances in recognition of their various duties and to recognise the time they give to undertake Authority work. Allowances are also intended to cover incidental costs that may be incurred by Members.

Allowances are adjusted annually in line with the Consumer Price Index, as approved by the Authority.

Basic Allowance

The annual basic allowance of £1165.80 is paid to all Members.

Special Responsibility Allowance

The following additional allowances are paid to Members with special responsibilities:

Chair of the Authority £9049.68
Vice Chair of the Authority £5429.76
Political Group Leaders £1357.44
Chairman of Audit & Standards Committee £1357.44
Chairman of Policy & Resources Committee £1357.44

Members with more than one special responsibility will only receive one special responsibility allowance at the higher appropriate level.

The Members' Allowances Scheme also includes the following travel and subsistence allowances:

Travel Allowance

Allowances for travel expenses incurred by Members undertaking their approved duties can be claimed.

Mileage can be claimed for travel by car motorbike or cycle in line with the rate used by HM Revenue & Customs. Car park costs incurred by a Member whilst undertaking an approved duty may also be claimed back although evidence of the payment will need to be submitted.

For those Members who car share, a passenger allowance can be claimed by the driver in respect of one or more passengers who are fellow Authority Members carried on Authority business.

Members may claim for use of public transport up to the amount of the ordinary standard class fare (or any available cheap fare as incurred). Evidence of the payment will need to be submitted. Taxi fares may be claimed where bus/train travel is not practical. Receipts will be required.

Approved Duties

Members may submit a claim for travel allowances for:

- a) meetings of the Authority, its committees, sub-committees, panels or working parties;
- b) meetings of outside bodies to which a Member is appointed by the Authority, if that organisation does not pay Members' expenses;
- c) Authority Member training seminars, events and workshops;
- d) Chairman's briefing meetings;
- e) meetings with Officers in connection with the functions of the Authority which have been convened by the Chief Fire Officer or a member of the Senior Management Board; or
- f) any meeting or event as approved by the Authority or its Committees.

Subsistence Allowances

Members can claim subsistence allowance payments as a reimbursement of actual expenditure, on the basis that reasonable expenses evidenced by receipts will be paid. Similarly, overnight accommodation expenses will be paid where this is necessary and is evidenced by receipts.

Dependent Carers' Allowance

Members can claim an additional allowance to cover expenditure incurred for the care of dependents as follows:

- i) £6.09 per hour;
- ii) Payable in respect of attendance at meetings of the Authority, its committees and Member training events; and
- iii) Claims to be made only in respect of care provided by persons other than family members resident in the house and all claims to be evidenced by receipts.

Report of Head of Strategic Change and Collaboration

Update on Collaborative Working

Purpose of report

1. To update Members of the Fire Authority on the existing, and developing, collaborative work being undertaken by the Service with other organisations.
-

Recommendation

It is recommended that the following, in particular, be noted:

- i. The Service has a history of effective collaboration and partnership working and is engaged in a wide range and variety of collaborative opportunities.***
- ii. The Service is continuing to seek out effective opportunities with partners that provide increased public value.***
- iii. Continued close working with police colleagues and partners may provide additional and currently unidentified longer-term efficiency benefits for both organisations.***
- iv. The existing governance arrangements within the Service support both the development and evaluation of collaborative opportunities and enable the prioritisation of work and the allocation of appropriate resources.***

Introduction and Background

2. Hereford & Worcester Fire and Rescue Service has a history of working effectively in partnership with other agencies delivering high quality services to the communities across the counties of Herefordshire and Worcestershire.
3. Members of the Authority will have been informed of significant collaborative projects and initiatives, through the established reporting processes and governance models both within the Service and Authority.
4. Authority Members will be aware that the Policing and Crime Bill will place a high level duty to collaborate on each of the emergency services. The Bill is currently awaiting Royal Assent after which it will become an Act of Parliament.
5. This report has been produced to provide Members with an overview of the existing collaborative work being undertaken, as well as highlight the developing initiatives that are being undertaken by the Service.

Current Position

6. All of the emergency services can be seen to be effectively working together to resolve often complex and challenging incidents. To support this, joint training and exercising have been key areas where a collaborative approach has been established. From the joint planning and delivery of large scale exercises (such as Exercise St Frances), to supporting Incident Command assessment for individual fire service commanders, appropriate arrangements are in place for agencies to work together and support the principles of the Joint Emergency Services Interoperability Programme (JESIP).
7. The Service not only receives support but also delivers specialist training to other agencies such as the police, in the form of water awareness and search techniques for police search advisors, and working at height and rope rescue awareness for police negotiators.
8. A collaborative approach to estates has enabled the construction of the new fire station at Evesham. The approach, including both local authority and private sector partners saw the construction of a new facility at a fraction of the normal cost. The new station is more efficient and better suited to the needs of the Service, and has assisted with the commercial redevelopment within the town.
9. Partnership working has also been historically strong within the community safety work undertaken. The Service is a key partner within community safety groups across counties, such as, Community Safety Partnerships, Safer Roads, Signposting, Connected Families and Safeguarding groups.
10. As partners within these groups the Service has collaborated with others to deliver initiatives such as Ignite, Crucial Crew, Young Citizens Challenge and Dying2Drive which are aimed at improving young people's awareness of fire, road and water safety as well as the impacts of arson and hoax calls.
11. The Service also has a long standing relationship with Multi Agency Risk Assessment Conferences (MARAC) and Multi Agency Public Protection Arrangements (MAPPA). This enables the targeting of domestic abuse, sexual abuse and hate crime including the police providing direct referrals to the Service in relation to crime prevention design and women's aid.
12. The above are just some examples of the established collaborative work within the Service. Appendix 1 of this report contains further examples and demonstrates the breadth of collaborative and partnership working undertaken.

New initiatives being implemented

13. The Service identified the changing role of the modern fire and rescue service within its Community Risk Management Plan 2014-2020. Within it, closer working with other emergency services was envisaged to help the Service become even more effective and efficient.
14. To support this, programme and project governance arrangements (such as the 20:20 Programme Board) have been established to support the delivery of the

vision, enable priorities to be identified and, the appropriate resources to be allocated.

15. The most visible evidence of this work being implemented is within the estates of both Fire and Police Services.
16. Members will be aware that a combined Police and Fire Station at Bromsgrove was completed in 2014, and that construction work is now underway for the Joint Operations and Communications Centre (JOCC) located within the grounds of the Police Headquarters at Hindlip Park.
17. The project has received funding via the police's transformational grant system and when delivered will enable the co-location of both Fire Control and Operational Policy and Planning staff alongside their police counterparts. This provides the opportunity for closer working in both operational planning and incident response for both services.
18. Other collaborative estates projects approved by members include, the Wyre Forest Hub project and Fire Service Headquarters relocation, both of which have already received £4.2m from the government's Fire Transformation Fund and, the Herefordshire One Hub' providing a new multi-agency building within Hereford. Smaller scale initiatives include the sharing of fire Stations at Tenbury, Bromyard and Peterchurch with police colleagues.
19. Building on the benefits realised by co-locating teams, two further initiatives with the police are being implemented. These involve the co-location of fire service district command teams with their police counterparts at Hereford and Worcester Police Stations and, the co-location of the Service's Community Risk teams, with staff working within the police Harm Hubs. The initiatives will enhance both information sharing and intelligence to support preventative activities.
20. The Community Risk team in North Worcestershire are supporting the Connecting Families initiative that brings together agencies from all over the county, to improve services for children and families via a positive role model pilot.
21. Appendix 2 of this report lists the collaborative initiatives that are either being implemented or developed. The major projects detailed above are included within this list as they have yet to be fully completed or become established practice.

Developing initiatives

22. Senior Fire Officers form part of the police's business programme board. This, along with jointly facilitated collaboration workshops, has provided the means for early identification of opportunities for closer working with both the police and other partners.
23. The Service has continued to maintain its close working relationships with partners including; Shropshire and Warwickshire Fire and Rescue Services, the Environment Agency, West Midlands Ambulance Service, Herefordshire and Worcestershire County Councils, District Councils, and a variety of voluntary groups including the Severn Area Rescue Association (SARA) and West Midlands Search and Rescue (WMSAR).

24. The Community Risk team is working closely with the voluntary care sector and Clinical Commissioning Groups, in an effort to deliver services to relieve pressures within the health sector. For example, 'Safe & Well' checks, and a home from hospital initiative will assist people leading more independent lives.
25. Appendix 2 demonstrates the range of initiatives being developed, from major estates projects such as 'The Herefordshire One Hub' to resilience enhancement opportunities, such as the provision of access to bunkered fuel stock across the West Mercia and Warwickshire force area.

Conclusion/Summary

26. Hereford & Worcester Fire and Rescue Service has a history of effective collaboration and partnership working and is engaged in a wide range and variety of collaborative opportunities.
27. The Service will continue to seek out effective opportunities with partners that provide increased public value, for example, by enhancing resilience of a function/service or increasing value for money.
28. The Service will need to continue to seek different ways of working and collaborative opportunities in order to meet future budgetary requirements.
29. It is understood that closer working and co-location with police colleagues and partners may also provide additional and currently unidentified longer-term efficiency benefits for both organisations.
30. Existing programme and project governance arrangements will support the continued development and evaluation of collaborative opportunities and will enable priorities to be identified and resource allocation as appropriate.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	Existing governance arrangements in place to ensure appropriate resource allocation
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	Collaborative initiatives support to Our Strategy through: Building and infrastructure, Resourcing for the future, People and Services priorities
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	Existing governance arrangements in place to ensure appropriate risk management processes
Consultation (identify any public or other consultation that has been carried out on this matter)	Existing governance arrangements in place to ensure appropriate consultation where necessary
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	Existing governance arrangements in place to ensure appropriate compliance

Supporting Information

Appendix 1: Existing Collaborative Working Practices

Appendix 2: Developing Collaborative Working Practices

Background Papers

Policing and Crime Bill

Community Risk Management Plan 2014-2020

Contact Officer

Area Commander Rob Ball

Head of Strategic Change and Collaboration

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Appendix 1 – Existing Collaborative Practices

Function	Collaborative initiative	Partner Agencies Involved	Anticipated Public Value
Prevention and Protection	Joint Home Fire Safety Checks for high risk individuals	W&WMPA, Health, LA	Provision of multiagency information in one visit
	Joint inspection and enforcement action involving certain public venues and landlord premises	LA, UK border force, W&WMPA, EA	Effective inspection and enforcement action in premises
	Youth engagement via Ignite, Crucial Crew and Young Citizens Challenge initiatives.	W&WMPA, BTP, LA	Effective promotion of individual agency messages within a multi agency setting
	Arson reduction and Fire Setter intervention for under 16s	W&WMPA	Reduced incidents of arson and risk reduction
	Participation within Community Safety Partnerships and other groups such as: the Safer Roads Partnership, Signposting, Connected Families and Safeguarding groups	W&WMPAs, LA, CCG, NGOs	Effective multiagency community safety provision
	Support for Temporary flood barrier deployment	EA, LA	Effective multiagency response, value for money
	Primary Authority Scheme	Private Sector	Effective fire safety advice for business, increased community resilience
Response	Police Community Support Officers have been recruited as on call firefighters in Herefordshire.	W&WMPA	Increased resilience for on call staffed stations
	Fire Service's Search and Rescue dog training and support by Police	W&WMPA	Provision of Search and Rescue dog capability via Fire Service
	Joint fire investigations of serious fire incidents	W&WMPA and CPS	Effective investigation of incidents involving fire
	National Inter-Agency Liaison Officers (NILO) to enhance communications and the response to major or critical incidents,	W&WMPA WMAS	Enhanced communication and incident planning between agencies
	Severn Area Rescue Association (SARA) collocated at Kidderminster Fire Station	SARA	Reduced cost for SARA, closer working enabled between responders
	Joint Command and Control infrastructure with Shropshire FRS	SFRS	Enhanced Resilience and Fall-back arrangements for mobilising of Fire Service Assets

Function	Collaborative initiative	Partner Agencies Involved	Anticipated Public Value
Training	Joint planning and participation in Fire Service Exercises e.g., Exercise St Frances 2016, Exercise Odin in 2015, Exercise Sodor in 2014,	W&WMPA, Ambulance, NGOs local colleges	Enhanced response to major incidents
	Receipt of Family Liaison Officer Training for Fire Service Staff	W&WMPA, SFRS	Better use of resources
	Receipt of Project/Programme management training for Fire Service Staff	W&WMPA	Enhanced project/programme management, better use of resources
	Receipt of Continued Professional Development training for Fire Service NILO officers	W&WMPA, WMAS.	Enhanced communication and incident planning between agencies
	Delivery of joint training to continue support for the Joint Emergency Services Interoperability Programme (JESIP)	W&WMPA, WMAS,	Enhanced multiagency incident response
	Delivery of Trauma training for identified Police staff	W&WMPA	Enhanced Police capability and value for money
	Delivery of Specialist skills training delivery to partners in areas such as: Water Rescue/Awareness, Line Access and Safe working at Height	W&WMPA, WMAS.	Enhanced capability for Police and Ambulance service, effective use of resources value for money
	Incident Command training for Fire Service Staff - assessor provision	SFRS, WFRS	Skilled and competent Incident commanders
	Incident Command training for Fire Service Staff- multi- agency support during assessments and training	W&WMPA, WMAS EA	Incident commanders with multiagency command experience and understanding
	Sharing of spaces within Health and Safety training	WFRS, W&WMPA, Herefordshire CC	Value for money and effective use of resources
Operational Policy	Operational Policy team and Emergency Planning officers, co-located with Force Operations at Police HQ	W&WMPA	Enhanced policy development, Emergency planning communication within agencies
	Fire occupational health service procured via Police tendering process and contract renewal aligned.	W&WMPA	more effective procurement process and future opportunity for further collaboration

Function	Collaborative initiative	Partner Agencies Involved	Anticipated Public Value
Estates	Use of Place Partnership which brings together the property expertise of six public sector authorities into one transformative company acting as a joint property vehicle.	W&WMPA, HWFRS, Local Authority	Cost effective provision of property services for multiple agencies
	Construction of Bromsgrove Police and Fire Station	W&WMPA, HWFRS	Effective use of resources and value for money, closer working enabled between agencies
	Construction of Evesham Fire Station	Local Authority, Private Sector	Provision of a New Fire Station at a reduced capital cost
Corporate Service	Membership of Worcestershire Office for Data and Analytics (WODA) information Governance Group to promote additional data sharing	W&WMPA WC WCC District Councils and NHS	Enhanced data sharing abilities between agencies
	Joint Communications Strategy with Police to provide resilience and standardise information	W&WMPA	Effective communication and value for money
Operational Logistics	NILO Ballistic PPE serviced and supported by Police	W&WMPA	Effective use of resources
	NILO Ballistic PPE training by Police	W&WMPA	Effective use of resources
Programme management	Senior Fire Officers form part of the Police Business Services Programme Board	W&WMPA	Early Identification of potential collaborative opportunities
	Senior fire officer is the project manager for the Police Operations and Communications Centre project	W&WMPA	Effective use of resources, closer working arrangements between agencies

Key:

W&WMPA – Warwickshire and West Mercia Police Alliance

SFRS – Shropshire Fire & Rescue Service

WFRS – Warwickshire Fire & Rescue Service

MWFRS - Mid & West Wales Fire & Rescue Service

WMAS – West Midlands Ambulance Service

NGO – Non Government Organisation

EA – Environment Agency

Appendix 2 – Developing Collaborative working practices

Function	Collaborative initiative	Partner Agencies Involved	Anticipated Public Value
Prevention and Protection	Colocation of Harm hubs and Community Risk Teams at Hereford, Worcester and Kidderminster	W&WMPA	Effective sharing of information and data between teams
	Community Risk team support for Connecting Families initiative in North Worcestershire.	W&WMPA, LGA, CCG, Voluntary sector	Reducing risk of harm and increased well-being
	Delivery of Safe and well checks and Home to Hospital initiatives.	CCGs, Voluntary Sector	Support of partner agencies during times of pressure, enhanced public well-being.
Response	Support for Police Drone capability	W&WMPA	Increased availability of current capability, effective use of resources
	Collocation of Fire Service District Command Team within Hereford, Worcester and Bromsgrove Police Stations	W&WMPA	Better use of resources closer working and information sharing enabled between responders
	Construction of Joint Operations and Communications Centre at Police Headquarters	W&WMPA, Fire	Better use of resources closer working and information sharing enabled between responders
Training	Delivery of Mental Health First Aid Training for Partner agency	W&WMPA SFRS and WFRS	Better use of resources, wellbeing provision for emergency responders
	Shared use of Fire Service's Strategic Training Facilities	W&WMPA, SFRS, MWFRS,	Enhanced training opportunities, effective use of resources and value for money
	Development of Methods of entry training for Fire Service using Police knowledge and understanding	W&WMPA	Enhanced capability and skills for Fire Service at incidents
	Acquisition Skill for Justice Accreditation for Incident Command	WFRS, SFRS	Accreditation of Incident Command training and Assessment
Operational Policy	Agreement on press releases: working relationship to agree content following joint incidents and updates on collaborative projects	W&WMPA	Effective and consistent communication and value for money

Function	Collaborative initiative	Partner Agencies Involved	Anticipated Public Value
Estates	Co-location of Fire Service HQ with Police HQ	W&WMPA	Effective use of resources and value for money, closer working enabled between agencies
	Tenbury, Bromyard and Peterchurch fire stations are been shared with the Police.	W&WMPA	Effective use of resources and value for money, closer working enabled between agencies
	Potential for Fire and Police to share a station at Kington in Herefordshire	W&WMPA	Effective use of resources and value for money, closer working enabled between agencies
	Construction of Wyre Forest Emergency Services Hub	W&WMPA NGO LA	Effective use of resources and value for money, closer working enabled between agencies
	Construction of One Herefordshire Hub	W&WMPA NGO LA	Effective use of resources and value for money, closer working enabled between agencies
	Co-location of Fire Service HQ with Police HQ	W&WMPA	Effective use of resources and value for money, closer working enabled between agencies
Corporate Service	Public Services Network: national scheme to develop a secure ICT network	W&WMPA, Private sector, Home Office	Enhanced data sharing abilities between agencies
Operational Logistics	Fire and Police exploring the potential for joint servicing of non-operational vehicles	W&WMPA	Reduced costs more effective use of resources
	Use of 'black box' style technology on fire engines provided by the Police to improve safety and accountability	W&WMPA	Effective use of resources
	Operational Logistics: potential move of Police stores facilities to Fire Service premises in Malvern	W&WMPA	Effective use of resources
	Joint procurement of replacement Command Support Units	SFRS, W&WMPA	Effective use of resources and value for money
	Bunkered Fuel Stock Resilience provision	SFRS, W&WMPA	Improved business continuity arrangements for agencies
	Support for Police vehicles out of hours by FRS 'on call' engineers	W&WMPA	Effective use of resources and improved Business continuity
Human Resources & Development	Secondment of HR manager from police to support HR team	W&WMPA	Effective use of resources closer working arrangements between agencies

Report of the Chief Fire Officer

Chief Fire Officer's Service Report

Purpose of Report

1. To inform the Authority of recent key developments and activities.
-

Recommendation

The Chief Fire Officer recommends that the report be noted.

New Evesham Fire Station

2. On the morning of 12th December 2016, firefighters moved into their new and improved fire station in Abbey Road, which took just under 11 months to build.
3. Members of the public and approximately 30 retired firefighters watched on as parades took place at the old station in Merstow Green and then at the new station.
4. The new station, which was project managed by Place Partnership and built by Greswolde Construction, has two floors, three fire engine bays and a state-of-the-art strategic training facility.
5. The site in Merstow Green will now be developed into a new Waitrose store as part of the economic regeneration of the town.
6. An official opening of the station will take place on the morning of Thursday 16th March 2017.

The New Policing and Crime Act 2017

7. The Policing and Crime Act received Royal Assent on 31 January 2017.
8. The new legislation is focused on delivering further reforms to policing and enables important changes to the governance of fire and rescue services – with a stated aim to build capability, improve efficiency, increase public confidence and further enhance local accountability.
9. Two of the main provisions of the Act will be to place a duty on police, fire and ambulance services to work together, as well as enabling police and crime commissioners to take on responsibility for fire and rescue services where a local case is made.

10. In response to this legislation, a number of English Fire Authorities are proactively reviewing their current governance arrangements, with a view to reducing their membership size.

Home Safety Checks for Syrian Refugees

11. In partnership with Refugee Action, HWFRS will be undertaking Home Safety Checks at a number of properties in Herefordshire throughout February where recently arrived Syrian refugees have been resettled.
12. The Home Safety Checks will be carried out by our Community Safety Technicians, assisted by interpreters.

Contact Officer

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Hereford & Worcester Fire Authority

Audit and Standards Committee

Wednesday, 18 January 2017, 10:30

Minutes

Members Present: Ms P Agar, Mr A Amos, Ms L R Duffy, Mr Al Hardman, Mrs A T Hingley, Professor J W Raine, Mr G J Vickery

Substitutes: none

Absent:

Apologies for Absence: Mr S C Cross, Ms K S Guthrie, Mr R I Matthews, Mr S D Williams

Also in Attendance: Mr D Prodger MBE

58 Confirmation of Minutes

RESOLVED that the minutes of the Audit and Standards Committee held on 27 September 2016 be confirmed as a correct record and signed by the Chairman.

59 Annual Audit Letter 2015/2016

External Auditor Grant Thornton UK LLP presented the report and confirmed that an unqualified opinion on the Authority's 2015/16 financial statements and value for money conclusion had been issued on 27 September 2016. Financial statements were considered to give a true and fair view of the Authority's financial position and the financial statements presented for audit were sound.

It was recommended that the Authority should continue to develop the improved review process against the requirements of the CIPFA Code of Practice and incorporate these within future timetables for the preparation of the Authority's annual financial statements.

The External Auditor highlighted the following key messages arising from the Audit 2015/16.

- i The Authority has taken appropriate account of the current economic climate and plans are supported by detailed and robust assumptions.
- ii The Authority has a sound understanding of the current financial environment and undertakes robust planning for the medium and long term extending to 2020.
- iii There is a strong link between the Authority Plan and the Community Risk Management Plan.
- iv The Authority historically closely monitors its expenditure and does not exceed budget levels.
- v The Senior Management Board provide clear leadership on spending priorities and demonstrate a clear understanding of the resource requirements of the Service.
- vi Performance management is strong and appropriately challenged.
- vii The Authority benchmarks its performance with other authorities to identify areas for improvement. Efficiencies have been made and efficiency plans continue to be implemented.

[10:35 Cllr Agar entered the room]

[10:36 Cllr Amos entered the room]

Following questions from Members on the concept of materiality the External Auditor provided clarification on its definition as well as expanding on how risk factors and judgement are used to determine the materiality percentage figure.

[Annual Audit Letter 2015/16 attached at Appendix 1 of these minutes]

***RESOLVED* the Annual Audit Letter 2015/16 from External Auditors, Grant Thornton UK LLP be noted.**

60 External Audit Fee 2016/2017

The External Auditor summarised the scale fee for audit work and confirmed that all scheduled work will take place within the fee envelope and that no additional fees had been incurred. Members were reassured that fees are independently set and that any variation has to be independently agreed.

***RESOLVED* the External Audit Fee 2016/17 be noted.**

61 Internal Audit Monitoring Report 2016/2017

The Head of Internal Audit Shared Service reported against the 2016/17 audit plan and highlighted to Members that of the four completed audits all had returned a 'Full' assurance level with no recommendations. The remaining audits were all underway and full report summaries would be presented at the next Committee. Members were asked to note that the CARE Scheme audit was being carried out as an additional review at the request of the Treasurer to provide assurance over held data.

***RESOLVED* the Internal Audit Monitoring Report 2016/17 be noted.**

The Meeting ended at: 10:51

Signed:.....

Date:.....

Chairman

The Annual Audit Letter for Hereford & Worcester Fire Authority

Year ended 31 March 2016

October 2016

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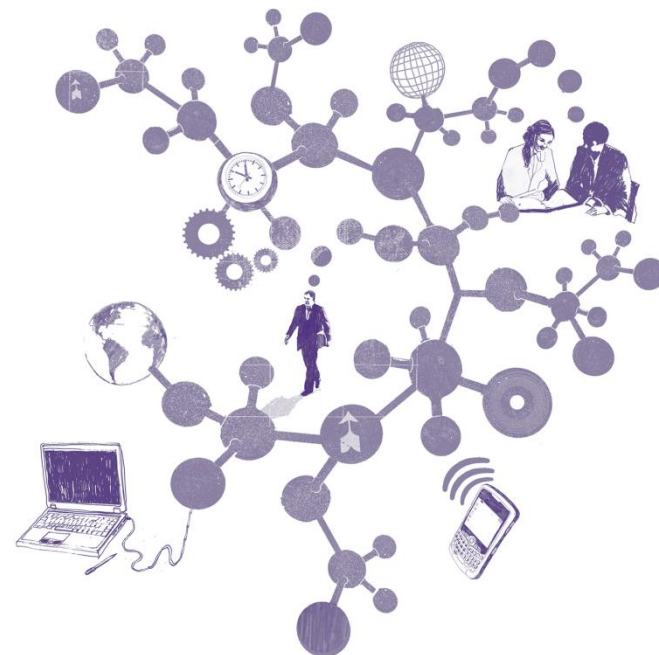
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Executive summary

Purpose of this letter

Our Annual Audit Letter (Letter) summarises the key findings arising from the work that we have carried out at Hereford & Worcester Fire Authority (the Authority) for the year ended 31 March 2016.

This Letter is intended to provide a commentary on the results of our work to the Authority and its external stakeholders, and to highlight issues that we wish to draw to the attention of the public. In preparing this letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice (the Code) and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'.

We reported the detailed findings from our audit work to the Authority's Audit & Standards Committee as those charged with governance in our Audit Findings Report on 27 September 2016.

Our responsibilities

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give an opinion on the Authority's financial statements (section two)
- assess the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

In our audit of the Authority's financial statements, we comply with International Standards on Auditing (UK and Ireland) (ISAs) and other guidance issued by the NAO.

Our work

Financial statements opinion

We gave an unqualified opinion on the Authority's financial statements on 27 September 2016.

Value for money conclusion

We were satisfied that the Authority put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources during the year ended 31 March 2016. We reflected this in our audit opinion on 27 September 2016.

Certificate

We certified that we had completed the audit of the accounts of Hereford & Worcester Fire Authority in accordance with the requirements of the Code on 27 September 2016.

We would like to record our appreciation for the assistance and co-operation provided to us during our audit by the Authority's staff.

Grant Thornton UK LLP
October 2016

Audit of the accounts

Our audit approach

Materiality

In our audit of the Authority's accounts, we use the concept of materiality to determine the nature, timing and extent of our work, and in evaluating the results of our work. We define materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for our audit of the Authority's accounts to be £645,000, which is 1.8% of the Authority's gross revenue expenditure. We used this benchmark, as in our view, users of the Authority's accounts are most interested in how it has spent the income it has raised from taxation and grants during the year.

We also set a lower level of specific materiality for certain areas such as cash, senior officer remuneration and auditors' remuneration.

The scope of our audit

Our audit involves obtaining enough evidence about the amounts and disclosures in the financial statements to give reasonable assurance that they are free from material misstatement, whether caused by fraud or error.

This includes assessing whether:

- the Authority's accounting policies are appropriate, have been consistently applied and adequately disclosed;
- significant accounting estimates made by management are reasonable; and
- the overall presentation of the financial statements gives a true and fair view.

We also read the Narrative Report and Annual Governance Statement to check they are consistent with our understanding of the Authority and with the accounts on which we give our opinion.

We carry out our audit in line with ISAs (UK and Ireland) and the NAO Code of Audit Practice. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach was based on a thorough understanding of the Authority's business and is risk based.

We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

Audit of the accounts

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk
<p>The revenue cycle includes fraudulent transactions</p> <p>Under ISA (UK&I) 240 there is a presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p>	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at Hereford & Worcester Fire Authority, we determined that the risk of fraud arising from revenue recognition can be rebutted because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited • the culture and ethical frameworks of local authorities, including Hereford & Worcester Fire Authority, mean that all forms of fraud are seen as unacceptable. <p>Our audit work did not identify any issues in respect of revenue recognition.</p>
<p>Management over-ride of controls</p> <p>Under ISA (UK&I) 240 it is presumed that the risk of management over-ride of controls is present in all entities.</p>	<p>We undertook the following work in relation to this risk:</p> <ul style="list-style-type: none"> • reviewed entity controls • tested journal entries • reviewed accounting estimates, judgements and decisions made by management • reviewed unusual significant transactions. <p>Our audit work did not identify any evidence of management over-ride of controls. In particular the findings of our review of journal controls and testing of journal entries did not identified any significant issues.</p>

Audit of the accounts (continued)

Risks identified in our audit plan	How we responded to the risk
<p>Valuation of pension fund net liability</p> <p>The Authority's pension fund asset and liability as reflected in its balance sheet represent significant estimates in the financial statements.</p>	<p>We undertook the following work in relation to this risk:</p> <ul style="list-style-type: none"> • identified the controls put in place by management to ensure that the pension fund liability is not materially misstated • assessed whether these controls were implemented as expected and whether they are sufficient to mitigate the risk of material misstatement • reviewed the competence, expertise and objectivity of the actuaries who carried out your pension fund valuation • gained an understanding of the basis on which the valuation is carried out • performed procedures to confirm the reasonableness of the actuarial assumptions made • reviewed the consistency of the pension fund assets and liabilities and disclosures in notes to the financial statements with the actuarial reports from your actuaries. <p>We undertook additional work and sort assurance in the Letter of Representation that it is appropriate for the pension fund liability associated with those staff who transferred to Place Partnerships Ltd (PPL) to be included in the Authority's accounts rather than in PPL's accounts.</p>
<p>Employee remuneration</p> <p>Employee remuneration is understated.</p>	<p>We undertook the following work in relation to this risk:</p> <ul style="list-style-type: none"> • documented our understanding of processes and key controls over the transaction cycle • performed walkthrough of the key controls to assess whether those controls were in line with our documented understanding • tested a sample of employee remuneration payments • agreed employee remuneration disclosures in the financial statements to supporting evidence • reviewed the reconciliation between payroll and the general ledger • agreed the employee remuneration accrual in the financial statements to supporting evidence. <p>Our audit work has not identified any significant issues in relation to the risk identified.</p>

Audit of the accounts (continued)

Risks identified in our audit plan	How we responded to the risk
<p>Operating expenses</p> <p>Operating expenses understated or not recorded in the correct period.</p>	<p>We undertook the following work in relation to this risk:</p> <ul style="list-style-type: none"> • documented our understanding of processes and key controls over the transaction cycle • performed walkthrough of the key controls to assess whether those controls were in line with our documented understanding • reviewed the calculation of significant accruals and other items • reviewed payments after the year end • tested a sample of operating expenses. <p>Our audit work has not identified any significant issues in relation to the risk identified.</p>
<p>Fire fighters' Pensions Benefit Payments</p> <p>Benefits improperly computed/ claims liability understated.</p>	<p>We undertook the following work in relation to this risk:</p> <ul style="list-style-type: none"> • documented our understanding of processes and key controls over the transaction cycle • performed walkthrough of the key controls to assess whether those controls were in line with our documented understanding • tested a sample of fire fighters' pensions benefit payments • agreed pension disclosures in the financial statements to supporting evidence • performed substantive analytical procedures on the total pension liability to ensure completeness of the liability. <p>Our audit work has not identified any significant issues in relation to the risk identified.</p>

Audit of the accounts

Audit opinion

We gave an unqualified opinion on the Authority's accounts on 27 September 2016, in advance of the 30 September 2016 national deadline.

The Authority made the accounts available for audit in line with the agreed timetable, and provided a good set of working papers to support them. The finance team responded promptly and efficiently to our queries during the course of the audit.

Issues arising from the audit of the accounts

We reported the key issues from our audit of the accounts of the Authority to the Authority's Audit & Standards Committee on 27 September 2016.

We identified one adjustment affecting the Authority's reported financial position. Accrued income and short term debtors were both overstated by £43k. However, officers decided not to amend the accounts for this item on the basis that it does not materially effect the Users interpretation of the Accounts and final position. This was included in our Letter of Representation and agreed by the Audit & Standards Committee on 27 September 2016.

We also asked for further assurances, through the Letter of Representation, that it is appropriate for the pension fund liability associated with those staff who transferred to Place Partnerships Ltd (PPL) to be included in the Authority's accounts rather than in PPL's accounts.

Annual Governance Statement and Narrative Report

We are also required to review the Authority's Annual Governance Statement and Narrative Report. It published them on its website with the draft accounts in line with the national deadlines.

Both documents were prepared in line with the relevant guidance and were consistent with the supporting evidence provided by the Authority and with our knowledge of the Authority.

Other statutory duties

We also have additional powers and duties under the Act, including powers to issue a public interest report, make written recommendations, apply to the Court for a declaration that an item of account is contrary to law, and to give electors the opportunity to raise questions about the Authority's accounts and to raise objections received in relation to the accounts.

We have not identified any issues that have required us to apply our statutory powers and duties under the Act.

Value for Money conclusion

Background

We carried out our review in accordance with the NAO Code of Audit Practice (the Code), following the guidance issued by the NAO in November 2015 which specified the criterion for auditors to evaluate:

In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the key risks where we concentrated our work.

The key risks we identified and the work we performed are set out in table 2 overleaf.

Overall VfM conclusion

We are satisfied that in all significant respects the Authority put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2016.

Value for Money

Table 2: Value for money risks

Risk identified	Work carried out	Findings and conclusions
<p>Workforce The Authority has been forward thinking in temporarily reducing the workforce, and therefore wholetime pay budget, by seconding staff to other Authorities. For the 2015/16 financial year, the secondments allowed the Authority to offset approximately £1,300k of wholetime uniformed staffing costs. With additional staff now being seconded and some staff transferring permanently as well as other unplanned leavers, the financial risk of returning staff is reduced. The Authority also has a reserve to mitigate this. However, there is still a financial risk around this.</p>	<p>We reviewed the project management and risk assurance frameworks established by the Authority to establish how it is identifying, managing and monitoring these risks.</p>	<p>The larger than required workforce has been predominantly managed through external secondments generating around £1.8m income for the Authority. A Voluntary Redundancy (VR) scheme has also been introduced. As at June 2016, as a result of the 18 VR to that date, the excess staff cost had reduced by £1.2m to £4m. The impact is that, after the secondment income, officers are forecasting that there should still be £2.3m in the Budget Reduction Strategy Reserve (which was created to manage the additional staff costs). There are still VR applications in the pipeline. If all of the applications are granted the excess staff cost would be reduced by a further £700k. By August 2018 the Authority is expecting to have the right number of fire fighters.</p> <p>The project and risk management around this issue have been good. The Authority has been at the forefront of outward secondments which has reduced the number of excess staff in the medium term, allowing more longer term solutions to be put in place. For example, different crewing patterns and VR. The Authority has also built up a financial reserve to cover this (although not all of this will be needed). Projections have been cautious and reporting has been transparent.</p> <p>On that basis we concluded that the risk was sufficiently mitigated and the Authority has proper arrangements.</p>
<p>MTFP gap The Authority recently approved an updated MTFP. This confirmed that final budget gaps will be: 2016/17 £41k; 2017/18 £393k; 2018/19 £1,363k; 2019/20 £2,166k.</p> <p>The forecast gap in the previous MTFP was £3.346m by 2019/20, so has come down by £1.2m. However, the gap is still significant for the Authority.</p>	<p>We reviewed the project management and risk assurance frameworks established by the Authority in respect of the more significant projects, to establish how the Authority is identifying, managing and monitoring these risks.</p>	<p>The latest MTFP projects an initial gap of £2.4m to 2019/20. It then makes some adjustments using government suggested and Authority assumptions to end up with a revised gap of £1.6m. These adjustments include, for example, additional pension charges of £315k, and lower inflation rates.</p> <p>After taking account of savings plans and anticipated income generation, the likely gap for 2019/20 is £760k. The Authority is planning to use reserves to smooth this, over a four year period. Even then, if it did nothing, there would still be reserves to cover a further three years.</p> <p>There are tentative long terms plans to address this residual deficit, but they need working up. In the long term, use of reserves to achieve breakeven is not sustainable and the Authority needs to consider how to get to a recurrent breakeven budget over time.</p> <p>On that basis we concluded that the risk was sufficiently mitigated and the Authority has proper arrangements.</p>

Working with the Authority

Our work with you in 2015/16

We are really pleased to have worked with you over the past year. We believe we have established a positive and constructive relationship.

An efficient audit – we delivered the accounts audit before the deadline and in line with the timescale we agreed with you. Our audit team are knowledgeable and experienced in your financial accounts and systems. Our relationship with your team provides you with a financial statements audit that continues to finish ahead of schedule releasing your finance team for other important work. We will build on this in 2016/17, with the aim of completing your audit by the end of July.

Understanding your operational health – through the value for money conclusion we provided you with assurance on your Medium Term Financial Plan. We highlighted the need for detailed long terms plans to address the residual deficit. In the long term, use of reserves to achieve breakeven is not sustainable and the Authority needs to consider how to get to a recurrent breakeven budget over time.

Sharing our insight – we provided regular reports covering best practice. Areas we covered included Making devolution work and Reforging local government. We have also shared with you our insights on advanced closure of local authority accounts in our publication "Transforming the financial reporting of local authority accounts", and will continue to provide you with our insights as you bring forward your production of your year-end accounts.

Providing training – we provided your finance team with training on financial accounts and annual reporting.

We will continue to liaise closely with the senior finance team during 2016/17 on this important accounting development, with timely feedback on any emerging issues.

Appendix A: Reports issued and fees

We confirm below our final fees charged for the audit and confirm there were no fees for the provision of non audit services.

Fees

	Planned £	Actual fees £	2014/15 fees £
Statutory audit of Authority	32,872	32,872	43,829
Total fees (excluding VAT)	32,872	32,872	43,829

Fees for other services

Service	Fees £
Audit related services	0
Non-audit services	0

Reports issued

Report	Date issued
Audit Plan	March 2016
Audit Findings Report	September 2016
Annual Audit Letter	October 2016



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Hereford & Worcester Fire Authority

Policy and Resources Committee

Wednesday, 25 January 2017, 10:30

Minutes

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

Substitutes: none

Absent: Mrs Elizabeth Eyre BEM, Mr Jim Kenyon

Apologies for Absence: Mr B A Baker, Ms R E Jenkins

71 Confirmation of Minutes

RESOLVED that the minutes of the meeting of the Policy and Resources Committee held on 17 November 2016 be confirmed as a correct record and signed by the Chairman.

72 Fleet Procurement Strategy 2017/18

As agreed at the Member led Fleet Task and Finish Group in January 2016, Members were provided with an update on the proposed fleet procurements in the forthcoming year.

Members were provided with a two year forecast and were informed that due to the age of some vehicles and in order to modernise the whole fleet, there would be a significant number of new vehicles planned within the next two years.

Members questioned the use of restricted access vehicles and noted that their life had been extended by 3 years to 2020/21.

Members were reminded that the funding for the replacement fleet vehicle programme is allocated through the capital programme and is reviewed

by the Treasurer on a regular basis.

RESOLVED that the Committee notes the contents of the report and approves the proposed outline procurements in 2017/18 and 2018/19, as detailed in Table 1 of the report.

73 Budget 2017/18 and Medium Term Financial Plan (MTFP)

Members were asked to review the current position in relation to budgets for 2017/18 and beyond, and to make recommendations to the Fire Authority.

Members were advised that only part of the information had been received to finalise the figures in the budget equation at the time of agenda publication. Members were then updated with the following precept information:

- final council tax-bases now increased by 1.8% equating to an additional £46,000 over the figure in the report.
- the one-off collection fund surplus was now estimated at £0.238m.

Members' attention was drawn to the rogue figure of £0.150m in the general balances table for the approved use for 2016/17 - this was an error and should be removed.

Members requested an update to the next meeting of the use of £60,000 of resources on the 12 month project targeting fire safety within Houses of Multiple Occupation type premises.

With regard to the move of Headquarters to Hindlip, Members requested involvement of Group Leaders when considering the options and a detailed plan of the layout to be included with the next update.

Members thanked the Treasurer for providing a clear and concise report.

RESOLVED that the Fire Authority be recommended to:

- **agree the amendments to expenditure and resource projections as set out in Appendices 1 and 2;**
- **increase council tax by £1.53 per year (1.96%) for 2017/18);**
- **note the remaining budget gaps set out in Paragraph 49; and**
- **earmark up to £2.6m of reserves to smooth the implementation of efficiencies over the period to 2020/21.**

74 Health and Safety Committee Update

Members were provided with an update on the activities and items of significance from the Service's Health and Safety Committee and drew Members' attention to key areas of work currently being undertaken by the Service.

Members questioned the electronic stability programme (ESP) fitted on new fire appliances and were pleased that additional driving training resolved the issue with no further incidences reported.

[Councillor Fry left the room at 11.13 and returned at 11.14].

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

- i) Health and Safety performance information recorded during July 2016 to September 2016 (Quarter 2); and**
- ii) The involvement of the Service in a number of Health and Safety initiatives.**

75 Exclusion of the Press and Public - Delivering a Wyre Forest Emergency Services Hub

The Authority were asked to exclude members of the public and press from Agenda Item 8.

It was RESOLVED to exclude the public and press on the grounds that the discussion would be likely to involve the disclosure of exempt information within the meaning of section 100A(4) of the Local Government Act 1972, namely
- information relating to the financial or business affairs of any particular person (including the authority holding that information).

Delivering a Wyre Forest Emergency Services Hub

Members were provided with clarity about the next stages required to move the project forward to deliver an emergency services hub for the Wyre Forest area.

Summary of Decision:

RESOLVED that Members note the progress towards acquisition of the site and commencement of the design stage.

The Meeting ended at: 11:31

Signed:.....

Date:.....

Chairman

