

Minutes of the Meeting of the EXECUTIVE COMMITTEE of the BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY held remotely on WEDNESDAY 18 NOVEMBER 2020 at 11.00 AM.

Present: Councillors Clarke OBE (Chairman), Hall, Hopkins, Marland, McCall, McLean and Walsh

Officers: J Thelwell (Chief Fire Officer), M Osborne (Deputy Chief Fire Officer), G Britten (Director of Legal and Governance), M Hemming (Director of Finance and Assets), A Hussain (Deputy Director of Finance and Assets), L Taylor (Principal Accountant), Anne-Marie Carter (Head of Technology, Transformation and PMO), D Norris (Acting Deputy Chief Fire Officer), C Bell (Head of Protection and Assurance), M Crothers (Programme Manager) A Stunell (Head of Human Resources) S Bridglalsingh (Director of Law and Governance Milton Keynes Council) and K Nellist (Democratic Services Officer)

Apologies: Councillor Lambert

Live webcast broadcast:

<https://www.youtube.com/channel/UCWmIXPWAscxpL3vIiv7bh1Q>

The Director of Legal and Governance confirmed the webcast was live.

The Director of Legal and Governance welcomed Members to the November Meeting of the Executive Committee of the Buckinghamshire & Milton Keynes Fire Authority and confirmed that the meeting was being live streamed on the Buckinghamshire Fire & Rescue Service YouTube channel. Following the meeting, a recording would continue to be available on this channel and it was also being recorded, should there be any technical difficulties.

EX17 MINUTES

RESOLVED –

That the Minutes of the meeting of the Executive Committee held on Wednesday 16 September 2020, be approved and signed by the Chairman as a correct record.

EX18 BUDGET MONITORING REPORT APRIL – SEPTEMBER 2020

The Principal Accountant advised Members that the report set out the Authority's revenue and capital spending position as at 30 September 2020, together with the projected outturn position for the financial year. The current expenditure forecast of £31.901m, against a budget of £31.339m, resulted in an overspend of £562k. However, due to the additional funding of £836k received in year in relation to Covid and protection grants, the net overall underspend was £274k.

The Principal Accountant gave Members a summary of variances seen within each directorate:

- Corporate core was showing a £3k underspend which related to underspend in legal costs and consultations with the public, as well as courses and conference fees postponed due to Covid, offset by unachievable interest income on investments and additional audit fees not budgeted for;
- Finance and Assets was showing an overspend of £97k which predominantly related to West Ashland revenue costs which would be expected to be partially covered by charges to SCAS and TVP not currently reflected in the forecast. This was offset by underspend relating to vacant posts within the directorate that had now been filled or recruitment delayed due to Covid;
- Most of the underspend shown within People & Organisational Development was due to underspend seen within employee costs. In addition, the Authority was not expecting £13k Thames Valley collaboration costs during the current financial year;
- Delivery, Corporate Development & Planning was currently projecting a £30k overspend. This was predominantly due to Covid response costs of £476k which were reported within this directorate. In addition, £230k had been transferred to a Covid-19 reserve as approved by the Executive Committee in September. This was offset by underspend seen within wholetime and on-call direct employee costs. This was due to a number of wholetime posts not being at the top of pay scales and employees being in the 2015 pension schemes which would see a lower contribution rate than budgeted for in the 1992 scheme.
- Statutory accounting and contingency overspend of £500k related to additional revenue contribution to capital as approved by the Executive Committee in September.

The Principal Accountant advised Members that the level of funding was forecast to exceed the original budget by £835k. The majority of the additional funding, £606k was due to the Treasury making additional funds available to respond to the Covid-19 Pandemic. Furthermore, following the Grenfell Enquiry, the government had allocated funds specifically for the fire sector protection teams to carry out a review of all high-rise buildings and support initial improvements in local protection capability. This had resulted in additional in-year funding of £230k.

The Principal Accountant advised Members that most of the capital works related to West Ashland which was now in occupation by the fire service. The forecasted year-end variance for property review of £2.686m was expected to be offset by additional capital receipts and contributions which would result in a net variance of around £1m against the forecast expenditure.

RESOLVED –

That the latest projected outturn forecast for the Authority as at 30 September 2020 be noted.

EX19

CAPITAL STRATEGY

The Deputy Director of Finance and Assets advised Members that the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities (2017), included a new requirement for local authorities to produce a capital strategy to demonstrate that capital expenditure and investment decisions were taken in line with the Authority's objectives and take account of stewardship, value for money, prudence, sustainability and affordability.

The Deputy Director of Finance and Assets advised Members that this Strategy outlined the Authority's approach to capital investment ensuring it was in line with its corporate priorities and objectives set out in the Public Safety Plan. It provided a strategic overview of how capital expenditure; capital financing and treasury management activity contributed to the delivery of outcomes, as well as an overview of the management of risk and future financial sustainability. Progress against this strategy would be reviewed annually and updated accordingly.

A Member asked about credit risk and how the Authority monitored the risk of current suppliers becoming insolvent, especially due to the issues many were facing in relation to Covid and was advised that the Authority had access to Experian Business Services. This allowed officers to have a live monitoring tool to be able to see any critical changes to suppliers. As mentioned, with the current pandemic, it was even more critical that the Authority had an understanding of the financial stability of its suppliers in order to be able to meet its undertakings. Also, the procurement team had access to credit ratings, so before any contract or large value capital scheme went out to procurement, officers would be looking to utilize this information, before making an informed decision.

A Member asked a question regarding the £136k, Section 106 funding and which authority/authorities were providing it and for what reason and was advised that the funding was being received from Milton Keynes Council in relation to West Ashland. To date, the Authority had only received £4k but was expected to receive £132k this financial year.

Subject to certain typographical errors being corrected it was:

RESOLVED –

1. That the Capital Strategy be recommended to the Authority for approval.
2. The Authority add, in its Terms of Reference, determining the Capital Strategy as set out at Appendix C.

FINANCIAL STRATEGY 2020-21 TO 2024-25

The Director of Finance and Assets advised Members that the Financial Strategy was a new document and was the link between the organisation's long-term service objectives and its financial capacity. The Strategy also helped the organisation to consider the feasibility of different options in terms of affordability and financial sustainability. The Strategy outlined three key areas; where the organisation was now; where it would like to be and how it plans to get there. The Strategy drew information from a number of sources, including HMICFRS reports, internal and external audit reports, financial analysis and also the self-assessment which had been carried out and was in Appendix A to Annex 1. One of the key elements of this Strategy was a consideration of the potential scenarios the Authority may face, especially in relation to Covid and funding reductions.

One of the scenarios was a 'no change' scenario. This was the base point of where the Authority would be if nothing changed from last year's MTFP. A 'reasonable worse case' scenario would be if the Authority was to lose some specific funding, and there was a possible 'optimistic' scenario if the Authority achieved additional precept flexibility and council tax could be increased by £5, rather than the 2% current limit. Against each scenario there were some possible actions. These showed the consultation process the Authority undertook when considering the current Public Safety Plan.

Also, within the document was the Reserves Strategy. The key point to note was the Authority had potentially around £1.75m of earmarked reserves that could be repurposed should there be a funding reduction and the need to mitigate the impact of it over the short term, whilst considering the longer term solutions to meet the challenge going forward.

In summary, this document addressed some of the concerns raised by HMICFRS. Namely to ensure that the Authority had the capacity and capability to support the activity in its Public Safety Plan and that the Service used sound financial management to ensure all additional costs such as pensions liability were accounted for and that there was a contingency plan in place for these eventualities.

A Member asked regarding the action plan and what in the current year did the review of value for money by an external provider actually involve and was advised that the Authority was working with a company called Proving. Proving were working with Surrey Fire Service to provide a benchmarking tool, specifically for the fire service. To date, there were nine fire services who had opted into the toolkit, and to producing a more comprehensive tool kit. In terms of plans moving forward, the Authority was looking to bring in Proving early next year to look at the model in a lot more detail and to ensure that there were consistent benchmarks across the fire sector.

A Member asked in 2021/22 the review of budget monitoring and performance reporting arrangements covered a large number of sections within the self-assessment and how would this develop and was advised that when completing the self-assessment, there was a very comprehensive budget monitoring report, and there was also other statistics and performance monitoring around operational standards, attendance times, availability etc. The balanced scorecard was presented annually, and it would be good to bring the performance and financial data together to give a better overall picture.

A Member asked a question about the insurance excesses set at £5k and assuming 10 claims a year over £5k, had it been based on the last five years' experience, and was that the average number of claims and was advised it was based on the worst case, and was probably slightly over prudent, but it was better to have slightly too much put aside than not enough in terms of insurance excess.

A Member asked that for 2024/25 there was a zero-based budget in preparation for the Public Safety Plan to reset any budgets that may have drifted over time. If the Authority was already doing a zero-based budget, should there be any drifting over time and was advised that the zero-based budget prepared for this year was a big exercise, stripping everything back and then building it up again. It was not something officers would do every single year because of the amount of work involved, but it may be something to look at in five years' time to make sure nothing was overlooked. Over five years it might change significantly, it was trying to get the right balance between incremental and zero-based budgeting.

A Member asked about interest rates being less than before how was the Authority going to be sure it was not over inflating what interest may be on any balances it holds and was advised that the Authority regularly presented the Treasury Management Strategy and over the last few years had been achieving really good returns. The base rate had reduced down to 0.1%, and having spoken to its investment specialist, realistically the Authority would only achieve around £30k, so the investment budget had been reduced down to £30k from £150k.

Subject to certain typographical errors being corrected it was:

RESOLVED –

That the Financial Strategy 2020-21 to 2024-25 be recommended to the Fire Authority for approval.

EX21

EMERGENCY SERVICES MOBILE COMMUNICATIONS PROGRAMME (ESMCP)

The Programme Manager advised Members that this was the latest update regarding the Emergency Services Mobile Communications Programme. The last briefing was delivered earlier this year.

Members were advised that there had been many references to the Full Business Case in the papers presented in the past. The latest version of the Full Business Case had been reviewed by the National Fire Chiefs Council Strategic Lead for Operational Communications and the Fire Customer Group on behalf of fire services nationally. A letter of response had been submitted to the Programme and this can be seen at Appendix A. This outlined the joint concerns of the fire sector.

The Programme Manager advised Members that four options were presented within the Business Case. The first two options had been largely dismissed within the document whilst the remaining two were based around an incremental delivery of the Emergency Services network. Since submitting this paper, the Service had received notification that Option 3b, with an airwave shutdown date in 2024, was no longer considered viable and that the next iteration of the Business Case was likely to be based on Option 3a which had an Airwave shutdown date in 2025. Officers had also learnt that delivery of the Prime product (this was the product that would provide access to the full functionality of ESN) had been moved from April to October 2021. As a result, the programme plan was now being re-baselined and this work would lead to a revised start date for the mass transition of emergency services.

The Programme Manager advised that on a regional note, that the requirement for a Regional Programme Manager within the South-Central region had been fulfilled through a contract with the company Mott Macdonald. This contract would come to an end in January 2021 and the decision had been taken by the three Thames Valley Services to use the grant funding to employ a full time Programme Manager to take on this role. A recruitment process had taken place and the successful candidate would take on the role early in the New Year.

Members could be assured that officers from this organisation continued to monitor the progress of the national programme and to engage with colleagues at a regional and national level to prepare for ESN.

RESOLVED –

That the report and Appendix A, the letter from the NFCC dated 20 October 2020 be noted.

EX22

EXCLUSION OF PRESS AND PUBLIC

It being moved, it was

RESOLVED –

That the Press and Public be excluded from the meeting by virtue of Paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972, as the reports, appendices and minutes contain information relating to any individual; and Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 as the reports, appendices and minutes contain information relating to

the financial or business affairs of a person; and on these grounds it is considered, at this moment in time, that the need to keep information exempt outweighs the public interest in disclosing the information.

The Chairman advised viewers of the live webcast that the meeting would now go into private session to hear the report and discuss the recommendations.

The Deputy Director of Finance and Assets, Principal Accountant, Head of Technology, Transformation and PMO, Head of Protection and Assurance and the Programme Manager left the meeting.

EX23 SALE OF GREAT HOLM FIRE STATION

The Committee considered the report and appendices, details of which were noted in the confidential/exempt minutes.

RESOLVED-

That in order to dispose of the land (1.63 acres) at Great Holm Fire Station (Title Number BM 173869):

1. the sale of the site through a competitive tendering process be approved;
2. the Chief Finance Officer be delegated authority in consultation with the Chairman and the Vice Chairman and the Group Leaders to agree a minimum reserve price in the region of that indicated in Annex C; and
3. the Chief Fire Officer be delegated authority to negotiate the terms and conditions of the contract of sale (including sale price) in consultation with the Chairman and Vice Chairman, to the preferred bidder and enter into any necessary agreements needed for its disposal.

EX24 SALE OF SMALL PARCEL OF LAND AT OLNEY FIRE STATION

The Committee considered the report and appendices, details of which were noted in the confidential/exempt minutes.

EX25 SENIOR MANAGEMENT TEAM REMUNERATION AND PERFORMANCE REVIEW, AND ANNUAL REPORT ON EMPLOYEE BONUS SCHEME

The Committee considered the report and appendices, details of which were noted in the confidential/exempt minutes.

EX26 DIRECTOR OF FINANCE AND ASSETS (CHIEF FINANCE OFFICER) REMUNERATION

The Committee considered the report and appendices, details of which were noted in the confidential/exempt minutes.

EX27 EXEMPT MINUTES

RESOLVED -

That the Exempt Minutes of the meeting of the Executive Committee held on Wednesday 16 September 2020, be approved and signed by the Chairman as a correct record.

EX28

DATE OF NEXT MEETING

The Committee noted that the date of the next Executive Committee meeting would be held on Wednesday 10 February 2021 at 10.00am.

THE CHAIRMAN CLOSED THE MEETING AT 11.23 AM.