



Nottinghamshire and City of Nottingham Fire and Rescue Authority

Meeting of the Authority

Minutes of the meeting held at Fire and Rescue Services HQ, Bestwood Lodge, Arnold Nottingham NG5 8PD on 20 December 2019 from 10.33 am – 11.50 am

Membership

Present

Councillor Michael Payne (Chair)
Councillor Toby Neal (Vice Chair)
Councillor Andrew Brown
Councillor John Clarke
Councillor Sybil Fielding
Councillor Vaughan Hopewell
Councillor Gul Nawaz Khan
Councillor John Longdon
Councillor Salma Mumtaz
Councillor Shuguftah Quddoos
Councillor Mike Quigley MBE
Councillor Nick Raine
Councillor Sue Saddington
Councillor Parry Tsimbiridis
Councillor Stuart Wallace
Councillor Jonathan Wheeler
Councillor Jason Zadrozny (minutes 41- 48 inclusive)

Absent

Councillor John Clarke
Councillor Jawaid Khalil

Also in attendance

Paddy Tipping, Nottinghamshire Police and Crime Commissioner

Colleagues, partners and others in attendance:

John Buckley - Chief Fire Officer
Ian Pritchard - Assistant Chief Officer
Malcolm Townroe - Clerk and Monitoring Officer to the Fire Authority
Charlotte Radford - Treasurer to the Fire Authority
Becky Smeathers - Head of Finance
Neil Harris) Ernst and Young LLP Auditors
Helen Henshaw)
Catherine Ziane-Pryor - Governance Officer

38 Apologies for Absence

The Chair apologised for any inconvenience caused by the meeting being moved due to the General Election.

Jawaid Khalil - leave
John Clarke - unwell

39 Declarations of Interests

Chief Fire Officer, John Buckley, and Assistant Chief Officer, Ian Pritchard, declared personal interests in Agenda item 11, Principal Officer Pay Review (minute 48) in so far as the item directly affected them. Both declared that they would withdraw from the meeting prior to the Authority's consideration and for the duration of the item.

40 Minutes

The minutes of the meeting held on 27 September 2019 were confirmed as a true record and signed by the Chair.

41 Chairs' Announcements

Planning permission has now unanimously been granted for the Joint Headquarters and work is expected to start in the New Year with completion predicted in late 2021 or early 2022. The Authority's thanks are extended to the Police and Fire Service colleagues who have displayed a good example of collaboration.

Tranche 3 of the HMICFRS inspection reports have now been published. The Service is now awaiting the 'State Of Fire' report by Sir Tom Windsor which is expected to be laid in Parliament early in the new year, and have also responded to the consultation on the next round of inspections which are expected to start in April next year and conclude in 2021.

On Wednesday the Tribunal convened to consider a remedy to the Firefighters Pension Dispute. As an interim solution, all firefighters that were in employment prior to April 2012 are to be treated as if they had remained in the 1992 Scheme. Guidance from the Home Office is awaited as to how to proceed but the dispute is anticipated to be resolved by mid July 2020. Clearly there could be financial issues that need to be considered by the Authority, and whilst these are referred to in the finance reports, the Chief Fire Officer will bring formal reports to the Authority once more detail and clarity are available.

The Chair offered huge thanks to everyone who had worked during the period of flooding across the City and County, stating that the Chief Fire Officer had kept the Chair informed of activity. Bassetlaw was most significantly affected and residents, businesses and elected members truly appreciated the effort of all frontline staff and those who supported them.

A merry Christmas was wished to everyone, but particularly those staff who will be on duty during the holiday period.

42 Final Accounts 2018/19

Becky Smeathers, Head of Finance, introduced the report which presents the final Audited Accounts for 2018/19.

The following points were highlighted:

- a) with regard to the pensions dispute, it is not anticipated that any direct cost will be borne by the Service;
- b) the valuation of assets has changed since the draft accounts were presented, this is because the value of assets should have been assessed earlier;
- c) there have not been any changes to outturn since the report to Finance and Resources Committee.

Members of the Authority queried whether the extended delay in the completion of the Audit would be reflected by way of a part refund. However, although negotiations were ongoing to determine the final charge, additional charges were to be made for some areas of work and it is a requirement that all audits are undertaken to a standard set by the Chartered Institute of Public Finance and Accountancy (CIPFA).

RESOLVED to approve the final audited Accounts for 2018/19, as attached as Appendix A to the report.

43 External Auditors' report to those charged with governance 2018/19

Further to the Interim Audit report presented to the September Authority meeting, Becky Smeathers, Head of Finance, introduced Neil Harris, Associate Partner at Ernst and Young LLP Auditors, and Helen Henshaw, who presented the Audit Results Report for the Audit of the 2018/19 accounts and unqualified audit opinion.

The following points were highlighted:

- a) Other than the timings of asset valuation (which has since been rectified), control observations were minimal (outlined in section 7 of the audit report) and NFRS achieved a high level of assurance throughout the in-depth audit;
- b) it is anticipated that an open letter will be issued today and the audit concluded;
- c) Ernst Young will continue to act as the Service's Audit Lead for the 2019/20 accounts and will assist in planning ahead for next year's audit;
- d) the accounts evidenced the work to ensure a balanced financial outcome for NFRS;
- e) due to the re-valuation of assets, asset value increased significantly:.

The auditors and members of the authority's acknowledged and thanked Becky Smeathers and the Finance Team for their ongoing support during the audit.

Resolved:

- 1) **to note the external for external auditors ISA 260 report, as attached as appendix A to report;**
- 2) **for all changes made to the accounts (since their presentation of September Authority meeting) to be reported to the Finance and Resources Committee;**
- 3) **to record the thanks of the Chair and Authority to the Auditors and Finance Team for their work.**

44 Treasury Management Mid-Year Review 2019/20

Becky Smeathers, Head of Finance, presented the report which provides members with an update on treasury management activity during the first half of the 2019/20 financial year.

The following points were summarised:

- a) £4 million had been borrowed in March so no further borrowing was required since then;
- b) there has been a change in borrowing rates;
- c) if any further borrowing is required thorough market testing will take place;
- d) a review of compliance with Treasury and Prudential limits is presented in section 2.23 of the report and illustrates that all activity remains within the boundaries approved.

Councillor Andrew Brown reiterated thanks to Becky Smeathers and the Finance Team for their work in extremely challenging circumstances.

Resolved to note the report.

45 Medium Term Financial Strategy 2020/21 To 2023/24 And Budget Guidelines 2020/21

Becky Smeathers, Head of Finance, presented the report which

- i. provides an update to the Medium Term Financial Strategy;
- ii. informs members of the predicted budget position for 2020/21, and;
- iii. requests that general guidelines are set for the Finance and Resources Committee to develop a detailed budget proposal for 2020/21.

The following points were highlighted:

- a) Finance and resources committee regularly receives financial monitoring updates;
- b) with a predicted deficit of £810,000, the required savings have been identified and implemented, resulting in a balanced budget;

- c) reserves continue to remain at the agreed £5.5 million and the Service maintains a good financial position going forward;
- d) savings have been achieved through underspends from previous year's budgets;
- e) there is an additional cost on the Local Government Pension Scheme whereby employer contributions will be raised. It is predicted that due to this, a further £200,000 will need to be built into next year's budget, and beyond;
- f) the financial implications regarding the McCloud judgement on firefighter pensions are yet to be confirmed but 10% additional cost has been built into the budget. However it is anticipated that Central Government may at least contribute towards this cost;
- g) although the Central Government Grant Funding Settlement will not be known until February, a 2% inflation increase is predicted on the sum received previously. However, if the additional 2% is not provided, it will result in a £350,000 budget deficit.
- h) With the above taken into consideration the report presents the medium-term financial strategy to 2020-24 and outlines two funding scenarios to achieve a balanced budget.

The Chair commented that if the 2% inflation increase on the central government settlement is not provided, it is likely that an increase in council tax will be required to prevent the service further drawing on reserves. It is anticipated that if this is the case Central Government will support a council tax increase.

Resolved

- 1) to approve the Medium Term Financial Strategy 2020-24, as set out in Appendix A to the report;**
- 2) to approve the Capital Strategy and Flexible Use of Capital Receipts Strategy contained within the Medium Term Financial Strategy;**
- 3) to task the Finance and Resources Committee with providing guidance to the Fire Authority in February in respect of:**
 - a) the options for Council Tax limited to either a Council Tax freeze or an increase in Council Tax within the referendum limit;**
 - b) the options for addressing any budget deficit to enable the Fire Authority to approve a balanced budget, as required by law.**

46 Reserves Strategy 2020/21 to 2023/24

Becky Smeathers, Head of Finance, presented the report which requests that the Authority approve the Reserves Strategy for 2020/21 to 2023/24.

Section 2.9 of the report details the changes to reserves and the amounts available for reinvestment. A report will be submitted to the February meeting of the authority with regard to the schemes proposed to be funded from these reserves. This will include work to further address some of the points raised in the HMICFRS Inspection findings.

Resolved to approve:

- 1) the Reserves Strategy 2020/21 to 2023/24 attached at Appendix A to the report;
- 2) the proposed minimum level of general fund reserves of £3.9m for 2020/21;
- 3) the transfer of £1,387,124 from the following reserves to create a transformation and collaboration earmarked reserve as follows:

Reserve	£ Amount to be re-invested
LPSA Reward Grant	(38,452)
Safe and Well	6,787
Organisational Transitional One Off Costs	(683,996)
Retained Pay Policy Change	(212,000)
Staffing Resilience	(126,000)
Taxation Compliance	(3,135)
Pension III Health	(309,322)
Hep B Vaccinations	(21,006)
Total	1,387,124

47 Local Firefighter Pension Scheme Administration

Becky Smeathers, Head of Finance, presented the report which informs the Authority of the termination of the pension administration contract by the current provider (Leicestershire County Council), on the basis of increasing complexity.

Derbyshire and Leicestershire Fire Services are also looking to identify a new pension administrator, so it is logical for NFRS to work collaboratively with these partners.

The management of pension scheme administration has been delegated to Becky Smeathers as Head of Finance. The time limitations to find an appropriate provider are challenging so initially a short term contract is proposed and Becky is confident that this can be achieved. It is recognised that any new provider will charge more than the current provider, and there is the added requirement that the new provider must operate the same software as the Service to ensure information continuity and ease for sharing.

Resolved

- 1) to note the report;
- 2) to endorse the collaborative approach to securing ongoing pension administration services.

48 Principal Officer Pay Review

Prior to the Authority's consideration of this item, having declared personal interests John Buckley, Chief Fire Officer, and Ian Prichard, Assistant Chief Officer, withdrew from the meeting and did not return until the item was concluded.

Malcolm Townroe, clerk to the authority, presented the recommendation of the Policy and Strategy Committee in relation to the outcomes from the Principal Officer Pay Review which is required to be undertaken on a two yearly basis.

Having been last considered at the November 2017 meeting of the Authority, and agreed that there should be no change, the current recommendation is also that other than the application of incremental and national pay awards of 2% in each year, there should be no changes to principal officer pay.

The review benchmarks the Service's officer pay levels against the pay levels of eighteen similar Authorities, as outlined in the appendices to the report, and maintains a level only slightly above median at £148,574 per annum.

The Chair commented that whilst the Policy and Strategy Committee did discuss the impact of austerity on the Service, members consider the proposed pay level as appropriate.

Resolved to agree the continuation of the current principal officer pay level as of 1 January 2020.

49 Grenfell Inquiry - Phase One Report

John Buckley, Chief Fire Officer, presented the report which informs members of the Phase 1 public enquiry report following the Grenfell Tower fire on 14 June 2017 which destroyed the 24 story block of flats, and in which 72 people lost their lives.

The following points were highlighted:

- a) Phase 1 had examined the role and approach of the fire service at the incident. A lot has been learnt and changes made to procedures and further work is being undertaken;
- b) The 'staying put' policy of building owners, not fire services, is under review nationally with consideration of at what point and with which extent of circumstances should people exit compartmentalised sections of a building into potentially smoke filled staircases to evacuate;
- c) In the Grenfell incident the smoke from the fire on the 4th floor fire spread to the 24th floor in just 12 minutes. The fire service attending Grenfell Tower followed the building owner's policy and were restricted in alternative options as the building failed so catastrophically. Due to the ferocity of the fire, if any other course of action had been taken, there would still have been tragic losses;
- d) In a local context, there is only one building remaining which requires recladding and work has now commenced;
- e) It is clear that to prevent further building safety failures, action is required at development level by building control with changes to specifications and legislation essential;

- f) NFRS has is engaged locally and nationally. An officer has been seconded to the City Council as part of the Safer Housing Team, and the Head of Prevention and Protection is engaged in the National Fire Chiefs Council workstreams;

Questions from Authority members were responded to as follows:

- g) With regard to media reports that where firefighters fail annual fitness tests, they are able to continue working, the National guidance states that 97% of firefighters achieve a fitness pass rate, but it is possible that those who fail by a very small margin can temporarily continue to operate but will be supported and are required to meet fitness standards. For firefighters who do not achieve the lowest fitness standard, they are not eligible to operate as active firefighters. Command officers are also required to undergo and achieve an acceptable level of fitness assessments which include determination of competence to command;
- h) The Fire Service is a statutory consultee on planning applications and whilst able to advise, there is no requirement for any fire safety advice to be acted upon;
- i) The Service is training all operational staff to identify issues of concern in commercial and public access premises to help identify low-level issues which may be tackled and prevent incidents;
- j) NFRS has always worked closely with the city's main social housing provider, Nottingham City Homes, which in general, maintains a very good standard;
- k) NFRS are capable of reaching to a height of approximately 100 feet which is the height of an average 10 storeys. For high rise buildings above this, or with constricted access such as the Victoria Centre flats, fire and rescue services can only rely on internal mechanisms;
- l) Generally the Fire Service's advice is not to tackle domestic fires but to get out, close the door and call the Fire Service. It is so easy for people to be overcome by smoke and become casualties, so requiring fire extinguishers to be available in high rise buildings would not be a simple solution;
- m) It is vital that buildings are designed to help ensure that fire can be contained compartmentally.

Members of the Authority also commented as follows:

- n) The disgusting attacks by the media and Parliament on fire officers attending the scene is wrong and totally unacceptable. To criticise them is easy but this was an extreme and unprecedented situation where fire officers risked their lives. Fire services and fire officers were not responsible for the failings on 14 June 2017, and is vital that we as Fire and Rescue Authorities across the country stand together, challenge such behaviour, bring all planning authorities together with relevant ministers and address the issue of such fire traps;
- o) The ridiculous fact that although statutory consultees, the advice of the Fire Services does not need to be acted upon, has been raised by the Chair in writing to the Secretary of State. The Fire and Rescue Service needs to work with newly elected MPs across the City and County to Lobby for action;

- p) The huge mental impact on fire officers attending such incidents is recognised and it is a massive and unacceptable disgrace that serving fire officers, such as Commissioner Cotton, should be made scape goats for failings far beyond their control and responsibility.

It is noted that copies of the full report are available for members to view.

Resolved

- 1) **to endorse the approach being taken by the Chief Fire Officer to address the outcomes of the Grenfell Phase One Report;**
- 2) **to agree to receive updates in relation to further action, associated with the Grenfell Inquiry, through the Community Safety Committee.**

50 Committee Outcomes

John Buckley, Chief Fire Officer, presented the report which provides the minutes of the following sub-committees:

Community Safety Committee 04 October 2019
Finance and Resources Committee 11 October 2019
Human Resources Committee 18 October 2019
Policy and Strategy Committee 08 November 2019

Resolved

- 1) **to note the report;**
- 2) **for the next Community Safety Committee to be held on 17 January 2020 at 11am or the rising of the Finance and Resources Committee, whichever is the later.**

51 Exclusion of public

RESOLVED to exclude the public from the meeting during consideration of the remaining item in accordance with Section 100A(4) of the Local Government Act 1972, under Schedule 12A, Part 1, Paragraph 3, on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

52 Exempt minutes

The exempt minutes of the meeting held on 27 September 2019 were confirmed as a true record and were signed by the Chair.