



**NOTTINGHAMSHIRE AND CITY OF NOTTINGHAM
FIRE AND RESCUE AUTHORITY**

**MINUTES of the meeting held at Fire and Rescue Services HQ, Bestwood Lodge,
Arnold Nottingham NG5 8PD on 27 February 2015 from 10.31am to 12.36pm**

Membership

Present

Councillor Darrell Pulk (Chair)
Councillor Brian Grocock (Vice Chair)
Councillor John Allin
Councillor Chris Barnfather
Councillor Eunice Campbell
Councillor John Clarke
Councillor Jon Collins (present for minutes 48-55)
Councillor Sybil Fielding
Councillor Stephen Garner
Councillor Roger Jackson
Councillor Michael Payne
Councillor Ken Rigby (present for minutes 48-55)
Councillor David Smith
Councillor Timothy Spencer (present for minutes 48-55)
Councillor Gordon Wheeler
Councillor Malcolm Wood
Councillor John Wilmott
Councillor Liz Yates

Colleagues, partners and others in attendance:

John Buckley - Chief Fire Officer
Wayne Bowcock - Deputy Chief Fire Officer
Craig Parkin - Assistant Chief Fire Officer
Neil Timms - Strategic Director of Finance and Resources
Peter Hurford - Treasurer to the Authority
Sue Maycock - Principal Accountant
Malcolm Townroe - Clerk and Monitoring Officer to the Authority
Catherine Ziane-Pryor - Governance Officer

48 APOLOGIES FOR ABSENCE

None, all Members were in attendance.

49 DECLARATIONS OF INTERESTS

None.

50 MINUTES

The minutes of the meeting held on 19 December 2014 were confirmed as a true record and signed by the Chair.

51 CHAIRS' ANNOUNCEMENTS

The Chair made the following announcements:

- (a) Councillor Vincent Dobson, who was previously a member of the Fire and Rescue Authority for a year, and sat on the Personnel and Performance Monitoring Committees, has sadly passed away. During his time with the Authority he was an active member with a strong connection to Collingham Fire Station and the staff stationed there. He will be sadly missed and it would be appropriate for the Authority to send a letter of condolence to his wife. The meeting paused while Members and Officers present stood for a minute's silence in respect of Councillor Vincent Dobson's memory;
- (b) Peter Hurford, Treasurer to the Authority, has indicated that he wishes to retire within the next few months following 8 years of service with the Authority. The Chair commended Peter for his outstanding work, especially during a difficult period when many budgets have been cut and savings are required. Peter will remain in post for the AGM;
- (c) with the forthcoming General Election, it is noted that after 15 years as a member of the Fire and Rescue Authority, Councillor Tim Spencer is not standing for re-election and that this is his final attendance at an Authority meeting as a member. The Chair thanked Councillor Spencer for his involvement;
- (d) the newly built Retford Fire Station opened on 6 February 2016 with Sir Andrew Buchanan unveiling a plaque. The Authority should feel proud of this achievement as although it was a capital spend, the building is predicted to last at least 30 years and will provide a much needed training hub for the North of the County;
- (e) the Authority is now included within the 'Stone Wall' equality index and is placed 91 out of 397 organisations in the country which is a significant achievement. Matt Sisme has led on this project and Members are asked to ensure that the momentum continues by signing up to the 'no bystanders' pledge of not tolerating unacceptable behaviour;
- (f) following the fire at the Jubilee Campus of the University of Nottingham on 12 September 2014, which was attended by the Service, the Chancellor of the University has presented the Service with a Community Award. Wayne Bowcock had received the award at the University's award ceremony and presented it to the Chair who gratefully received the commendation on behalf of the Authority;

- (g) further to the University commendation, GlaxoSmithKline, the owner of the sustainable chemistry laboratory building affected, expressed their appreciation of the Service's work in fighting and containing the fire, by donating £20,000 to the Fire Fighters' Charity. The Chair expressed the appreciation of the Authority for such a generous donation.

RESOLVED

- (1) for the Chief Fire Officer to arrange for a letter of condolence to be sent to Councillor Vincent Dobson's wife;
- (2) to record the thanks and appreciation of the Authority for the work of the Treasurer, Peter Hurford, in light of his planned retirement.

52 PRUDENTIAL CODE FOR CAPITAL FINANCE 2015/16

Neil Timms, Strategic Director of Finance and Resources, presented the report which proposed capital plans, prudential limits, and monitoring processes.

The report outlined the following:

- Prudential Indicators for Affordability;
- Prudential Indicators for Prudence;
- Prudential Indicators for Capital Expenditure and External Debt;
- Indicators for Treasury Management.

RESOLVED for the following Prudential Limits for 2015/16 to be approved:

Estimate of Ratio of Financing Costs to Net Revenue Stream	5.3%
Estimate of the Incremental Impact of the New Capital Investment Decisions on the Council Tax (Band D)	£0.18
Estimate of Total Capital Expenditure to be Incurred	£4,869,000
Estimate of Capital Financing Requirement	£27,981,000
Operational Boundary	£28,076,000
Authorised Limit	£30,883,000
Upper limit for fixed rate interest exposures	100%
Upper limit for variable rate interest exposures	30%
Loan Maturity:	<u>Limits:</u>
Under 12 months	Upper 20% Lower 0%
12 months to 5 years	Upper 30% Lower 0%
5 years to 10 years	Upper 75% Lower 0%
Over 10 years	Upper 100% Lower 0%
Over 20 years	Upper 100% Lower 30%

Upper Limit for Principal Sums Invested for Periods Longer than 365 Days	£2,000,000
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53 TREASURY MANAGEMENT STRATEGY 2015/16

Neil Timms, Strategic Director of Finance and Resources, presented the report which informs Members of the Authority's Treasury Management Strategy for 2015/16 and seeks approval of the Authority's Minimum Revenue Provision Policy for 2015/16.

The report detailed the following:

- Treasury Management Strategy for 2015/16;
- Balanced Budget Requirement;
- Economic Background;
- Management of Cash Resources;
- Borrowing Strategy;
- Investment Strategy;
- Minimum Revenue Provision Policy 2015/16;
- Training of Officers and Members;
- Treasury Management Policy Statement;
- Prudential and Treasury Indicators for 2015/16;
- Approved Countries for Investments (Fitch Ratings).

Member's questions were responded to as follows:

- (a) Banked funds are achieving interest of 0.6% as the Authority has adopted a prudent approach. Higher returns are available but this involves higher risk;
- (b) The Authority does bench mark against the actions and achievements of other Authorities.

RESOLVED

- (1) to note the Treasury Management Strategy 2015/16, as set out in the report;**
- (2) to approve the Minimum Revenue Provision Policy 2015/16.**

54 REVIEW OF RESERVES AND WORKING BALANCES

Neil Timms, Strategic Director of Finance and Resources, presented the report which seeks approval for the levels of working balances sufficient to meet the needs of the Authority during the 2015/16 financial year and beyond.

General reserves, including safeguards, responsibilities risk and reaction to risk, and also earmarked reserves are detailed within the report. A 'General and working balances risk assessment' was appended to the report.

RESOLVED

- (1) to note the results of the review of risks shown in Appendix 1;
- (2) to approve the proposed minimum level of working balances of £4.0 million.

55 BUDGET PROPOSALS FOR 2015/2016 TO 2017/2018 AND OPTIONS FOR COUNCIL TAX

Councillor Malcolm Wood, Chair of the Finance and Resources Committee, and Neil Timms, Strategic Director of Finance and Resources, jointly presented the report which contains proposals for Revenue and Capital Budgets for 2015/16 to 2017/18 and proposes options for members to determine the level of Council Tax for 2015/ 2016.

An erratum was issued with regard to appendix B to the report, and a revision to page 57 has been issued. All amendments are included within a revised report within the online agenda.

The Finance and Resources Committee had considered 4 potential options relating to the funding of the Service through Council Tax, and have recommended two options to the Full Authority for consideration:

- Option A - Council Tax increase of 0%
- Option B - Council Tax increase of 1.95%

The following points were highlighted:

- (a) it is necessary to plan ahead to ensure the Service can continue to operate smoothly by the gradual renewal and refurbishment of stations and equipment. The revenue budget has been significantly impacted by grant cuts from Central Government which have resulted in changes at many levels which are illustrated in paragraph 2.20 of the report;
- (b) paragraph 2.35 illustrates a significant drop in the amount of grant funding from Central Government. This needs to be planned for within budgets and business planning to ensure continuation of a first class Service;
- (c) changes to the Council Tax system were predicted to result in a shortfall of income but this was not the case and has contributed to a budget surplus of £401,106 in 2015/16, however this is not an on-going surplus;
- (d) all planned reductions have been made during 2014/15 as part of the savings of £3.9 million to be made by the end of 2017/8.

Several scenarios of increasing and not increasing the council tax in some years and not others, and the financial implications attached, are included within the report.

For each option, Members arguments included the points below:

Option B - 1.95% rise in Council Tax

The value of the government grant is being eroded year-on-year so it is necessary to increase the Council Tax yield. This will have a financial impact on band D property Council

Tax of an additional £1.39 per year which, when asked, residents considered to be good value. To not implement an increase of 1.95% will impact on service delivery and could result in further job losses in addition to more than 200 jobs which have been cut as a result in the reduction of Central Government funding, along with 6 appliances. This issue cannot be looked at in the context of one year's funding as the Authority is responsible for future years' funding. The freeze grant is essentially an incentive to reduce the budget base year-on-year but this will result in resources diminishing in real terms. An additional few pence per week from citizens can ensure the continuation of a first class service. We need to justify cuts to resources and services in light of cuts from Central Government, if people want to keep the current service they need to pay for it and when asked, they are willing to do so. Supporters of the '0% increase' option may refer to a surplus budget and suggest that this be spent rather than seek an increase in Council Tax, but this sum is needed to take account of the ongoing reduction of Central Government revenue grants. It is possible that the freeze grant will reduce annually and may not exist by 2022 so this too needs to be taken into consideration. The organisation has handled recent cuts very well but funding cuts continue with further savings required so a long term view is necessary.

Option A - 0% rise in Council Tax

As illustrated in paragraph 2.37, there is a budget surplus in 2015/16 of £401,106. If the freeze grant of £244,066 is accepted, the surplus budget would result in a sum which is £168,904 less than the surplus budget total if the Council Tax were to be increased by 1.95%. However, as referred to previously in the agenda, the Authority is required to have a £4 million reserve but the projected level of balances by 31 March 2015 is of the order of £6.1 million which equates to 50% more than is realistically needed. Therefore by applying the 1.95% increase, the Authority would be taking £21,109,002 from the citizens of the City and County when it is possible not to increase the Council Tax and accept the freeze grant with the result of only a £168,904 deficit. The Council Tax yield should not be considered in isolation but as part of the total grant yield. If the freeze grant is not accepted this year it will be lost to the Authority forever. There have been changes to budgets during the past years and the Service has been maintained and citizens have not seen any difference. If the freeze grant is accepted and Council Tax is not increased then there is still a budget surplus to add to resources and a £0.25 million from Central Government year-on-year grant to be added to resources without taking funds from citizens. It clearly is not necessary to implement any increase and so there should not be an increase in Council Tax.

Councillor Wheeler, seconded Councillor Chris Barnfather's proposal to approve a 0% increase in Council Tax.

Councillor Jon Collins supported Councillor Malcolm Wood's proposal for a 1.95% increase in Council Tax.

It is noted that although speaking on the item, Councillor Jon Collins had left the meeting prior to voting.

Members voted for the authority's precept for 2015/2016 as follows:

Members in favour of approving a 0% increase in Council Tax:

Councillor Chris Barnfather
Councillor Stephen Garner

Councillor Roger Jackson
Councillor Ken Rigby
Councillor Timothy Spencer
Councillor Gordon Wheeler
Councillor Liz Yates

Members voting against a 0% increase in Council Tax:

Councillor John Allin
Councillor Eunice Campbell
Councillor John Clark
Councillor Cybil Fielding
Councillor Brian Grocock,
Councillor Michael Payne
Councillor Darryl Pulk
Councillor David Smith
Councillor John Wilmott
Councillor Malcolm Wood

With the result of 7 votes for and 10 votes against, the recommendation was not carried.

Members then voted on the proposal to implement a 1.95% Council Tax increase, voting as follows:

Members voting to increase Council Tax by 1.95%:

Councillor John Allin
Councillor Eunice Campbell
Councillor John Clark
Councillor Cybil Fielding
Councillor Brian Grocock,
Councillor Michael Payne
Councillor Darryl Pulk
Councillor David Smith
Councillor John Wilmott
Councillor Malcolm Wood

Members voting against increasing the Council Tax by 1.95%:

Councillor Chris Barnfather
Councillor Stephen Garner
Councillor Roger Jackson
Councillor Ken Rigby
Councillor Timothy Spencer
Councillor Gordon Wheeler
Councillor Liz Yates

10 members voted for a 1.95% Council Tax increase, and 7 members voted against an increase.

RESOLVED

- (1) for option B, a rise in Council Tax of 1.95% to be applied for the Authority's precept for 2015/2016;**
- (2) to approve the continued payment of members allowances for 2015/16 in accordance with the approved scheme.**

56 PENSIONS BOARD

Neil Timms, Strategic Director of Finance and Resources, presented the report which informs Members of the statutory obligations under the Public Service Pensions Act 2013 to form a Pensions Board before 1 April 2015.

A proposal is being investigated for one Pensions Board to be established to service pensions for Derbyshire, Leicestershire and Nottinghamshire Fire and Rescue Services. Further discussions are required but if this option is not possible, within the time constraints, the Authority will need to establish a Pensions Board prior to the 1 April deadline stipulated by the Act.

RESOLVED

- (1) for the creation of a Joint Pensions Board with Derbyshire and Leicestershire Fire and Rescue Services to be approved, subject to satisfactory negotiations;**
- (2) for responsibility for agreeing the constitution and governance of the Pensions Board to be delegated to the Chair, Vice-Chair and Opposition Spokesperson.**

57 OPERATIONAL ACTIVITY UPDATE 2014

Chief Fire Officer, John Buckley, presented the report which updates members on the operational activity levels during the calendar year 2014.

In addition to the activity levels outlined in the covering report, the following points were highlighted and Member's questions responded to:

- (a) this report not only provides statistical evidence of how many incidents were attended but also how incidents were dealt with;
- (b) reported incidents have declined by 3,000 on the previous year's figures but the type of incident has varied;
- (c) there were a total of 4,000 false alarms which did not require intervention. 2,700 caused by automated fire alarms, including people smoking in hospital buildings but where repeat offenders are identified, the Service tries to work with them to resolve the issue. 1,300 incidents were resolved prior to the service attending, and there is also an element of 'false alarm with good intent';
- (d) it has been difficult to trace malicious calls but the new Control Centre has the ability to track land line calls and even mobile phone calls can be traced to within a few metres of the point from where the call is made;

- (e) response time is an area of concern and whilst the target is that 90% of all incidents are responded to within 10 minutes, the overall figure is only 74% with 84% of dwelling incidents responded to within the 10 minute target. This will be a focus for improvement and included in the 2015 Fire Cover Review, examining risk based analysis for the next 5 years;
- (f) the target response time was set following research undertaken 20 years ago when the standards of Fire Cover were prescribed. Since the 2004 Act, Authorities have to consider and set their own, most appropriate target. This Authority considers outcomes and experience when setting targets, not just response times;
- (g) if one appliance attends an inferno it has little to no impact compared to 4 or 5 appliances attending. All of these elements need to be taken into consideration when investigating the future impact on responses times. Consideration is given to where appliances are placed to provide the best response to the most need;
- (h) if false alarms were not considered, the average attendance time would increase so it is important that figures are broken down to detailed information.

RESOLVED

- (1) for the Operational Activity levels for 2014 to be noted;**
- (2) to request that the Community Safety Committee review the data provided and consider any potential implications or opportunities for the delivery of services.**

58 COMMITTEE OUTCOMES FOR NOTING

John Buckley, Chief Fire Officer, briefly introduced the report which updates Members on the business and actions of Authority Committees on the following dates:

Community Safety Committee	9 January 2015
Finance and Resources Committee	16 January 2015
Human Resources Committee	30 January 2015
Policy and Strategy Committee	6 February 2015

RESOLVED to note the report.

59 NEXT MEETING DATE

RESOLVED to note that the AGM will be held on 5 June 2015.