



**MINUTES OF THE POLICY COMMITTEE held on Wednesday 29 January 2014 at Fire Service Headquarters, Winsford at 10 a.m.**

**PRESENT:** Councillors S Nelson (Chair), D Brickhill, P Carey, L Jones, J Leather, G Merry, B Rudd, C Thorley and D Topping.

**PART 1 – MATTERS CONSIDERED IN PUBLIC**

**1 PROCEDURAL MATTERS**

**A APOLOGIES FOR ABSENCE**

Apologies were received from Councillor J Joyce.

**B DECLARATION OF MEMBERS INTERESTS**

There were no declarations of Members interests.

**C MINUTES OF THE POLICY COMMITTEE MEETING**

**RESOLVED:** That

**the Minutes of the meeting of the Policy Committee held on 27 November 2013 be confirmed as a correct record.**

**E NOTES OF THE RISK MANAGEMENT BOARD**

**RESOLVED:** That

**the notes of the Risk Management Board meeting held on 14 January 2014 be received, for information.**

**Matters Arising**

A Member queried whether the Risk Management Champions (who also sat on the Member-Officer meetings of the Risk Management Board) received a copy of the notes of the meeting separately. Members were informed that copies of the notes from both Officer and Officer-Member meetings were usually distributed electronically to Risk Management Champions following the meeting and hard copies would be received as part of the agenda pack for the following meeting. Democratic Services would review the process to ensure that the relevant Members were receiving the documents that they required.

A Member also asked if further details could be provided on one of the risks, on the corporate risk register (ref no 807), in relation to the changing external environment and the Chief Fire Officer responded that the risk log would be updated for the next Risk Management Board meeting.

Please note that decisions are subject to a call-in period of 3 working days following publication Policy Committee Minutes: Version 1.0 Publication Date: 5 February 2013

## **ITEMS FOR INFORMATION**

### **2 2014-15 DRAFT BUDGET, COUNCIL TAX AND MEDIUM TERM FINANCIAL PLAN**

The Head of Finance presented this report and explained that Members of the Fire Authority were required to approve a budget and set the Council Tax precept for the year commencing 1<sup>st</sup> April 2014. The report set out the relevant factors that the Authority must have regard to, which included the likely impact of policy options on the Fire and Rescue Service, the prevailing economic climate and the impact of future grant reductions during the current Comprehensive Spending Review period (2011-12 to 2014-15) and beyond.

The report was the second of three budget reports with the final report being presented to the Authority on 12<sup>th</sup> February 2014. The Head of Finance explained that the report provided an update on the position that was reported to the Fire Authority on 11<sup>th</sup> December 2013 and at the recent Members Planning Day on 17<sup>th</sup> January 2014.

The Head of Finance explained that the Government had made the Council Tax Freeze Grant available for 2014-15 and 2015-16 and this was only available to those Authorities who opted to freeze or reduce their Council Tax. The indicative amount available to the Authority was £259k per annum which was slightly more than 1% of the Authority's current Council Tax income. The Government had indicated that the grant would be 'baselined' into Authorities Settlement Funding Assessments. Members were reminded that if they chose to increase Council Tax above a certain percentage, which was 2% in 2013-14, that the Authority would be required to undertake a referendum. The Authority had not yet received any confirmation from the Government on what that percentage would be for 2014-15, although it was anticipated that it would be 1.5%.

The Head of Finance presented three Medium Term Financial Plan (MTFP) scenarios to Members which had been modelled on existing assumptions. He explained that Appendix 1 showed the MTFP if the Council Tax Freeze Grant was accepted for 14-15 and 15-16 (which also assumed a 1.5 precept increase for 16-17 and 17-18); Appendix 2 showed the figures if the grant was rejected and the precept increased by 1.5%; and Appendix 3 if the grant was rejected and the precept increased by 1.99%.

Appendix 1 assumed that the freeze grant would be baselined by 2016-17 and a Member queried if this had been confirmed by the Government. The Head of Finance explained that this information had been confirmed in a written ministerial statement and an extract of this was read out.

Members were informed that it was hoped that the final settlement figures would be confirmed by Government shortly. The legislation did not define a specific date for the release of these figures but it had indicated that the official announcement would be made on 12<sup>th</sup> February 2014 after the Fire Authority meeting. The Chief Fire Officer commented that, if there was no clarity on the

final settlement figures for the Fire Authority meeting, Members may wish to consider deferring any decisions on the budget and re-convening later in the month to allow time to consider any implications. Members commented that they would be minded to approve the 2014-15 Budget on 12<sup>th</sup> February based on one of the scenarios presented, but would ask that the Authority had a contingency plan in place to manage any changes to the assumptions in the event that the final settlement figures were not published in time for the meeting and did contain any changes.

Members were asked to note that it was assumed that there would be a need to produce savings over the next four years of between £8m or £9m in order to produce balanced budgets. Savings of approximately £4m were expected to flow from the delivery of the ERP and the remainder of the savings would need to be found from elsewhere. Officers would need to review and present options for further cost reductions for Members consideration and this would be a particularly challenging exercise.

The remaining appendices to the report provided details of the revenue growth items, efficiencies and savings and the capital programme for 2014-15. These items had also been considered at the Members Planning Day on 17<sup>th</sup> January 2014. Members' attention was drawn to the following:

Revenue Growth: the list had been slightly revised and £82k revenue costs had been included in 2014/15 which would cover the set up cost for proposed Safety Centre. This had been included in the MTFP previously presented to Members but was part of the revenue growth for 2015/16 and therefore this was merely a case of bringing the set up costs forward to 2014/15.

Efficiencies and Savings: the key efficiencies would be drawn from the Emergency Response Programme in respect of changes to service delivery.

Capital Programme: the key items are the continuation of approvals for the ERP and the inclusion of the proposed Safety Centre. The Head of Finance also clarified the position in respect of both revenue and capital funding in relation to the proposed Safety Centre.

Members discussed the information provided which updated them on the current position in relation to the Authority's financial position and draft 2014/15 budget proposals. A number of queries and comments were made.

Members expressed concern over the shortfall in saving requirements and it was suggested that the Authority could look at how a capital injection from reserves could be used for 'invest to save' projects. A Member requested that more details be provided on where the savings would be coming from and also a more comprehensive schedule on revenue and capital reserves for the February meeting. Details of the financial scenario if the Authority had taken the freeze grant last year were also requested.

A Member queried whether the Authority did any modelling on the future risk profile and the impact on reserves. The Head of Finance explained that corporate risks were assessed on a regular basis and a reserves risk assessment would be produced for the budget meeting.

A Member stated that the Authority should not make a decision on the proposed Safety Centre until there was confirmation that grant funding was available and he queried whether any progress had been made in applying for funding. The Chief Fire Officer explained that the Authority was looking for funding from a variety of sources including the 'Invest to Save' initiative and 'Blue light Collaboration'. A Member commented that the Authority needed to look at how they could spread the revenue costs with partners and work with them to ensure that the proposals linked with other initiatives across Cheshire.

Members raised an issue on the Unitary Performance Group (UPG) budgets and the levels of reserves held. A Member requested that the Authority review the current UPG budget reserves and review the options, in consultation with Members, for utilising them.

**RESOLVED: That**

**[1] the report and information relevant to the setting of the 2014-15 budget and precept be noted.**

**3 DEVELOPMENT OF THE DRAFT INTEGRATED RISK MANAGEMENT PLAN 2014-15 (IRMP11)**

The Head of Planning, Performance and Communications introduced this report which provided Members with an outline of the key themes which had resulted from the consultation into the Authority's future plans following the Members Planning Day held on 17 January 2014.

The Head of Planning, Performance and Communications summarised the key issues which affected the Authority's proposals for the next financial year. He explained that, from the discussions that took place at the Members Planning Day, it became clear that a number of changes were required to the draft action plan and these were detailed in the report. It was also noted that further changes to the final version of IRMP11 might be required depending upon the decisions made on 12<sup>th</sup> February in respect of the 2014-15 Budget and the Safety Centre proposals.

The Head of Planning, Performance and Communications commented that the feedback from the 12 week consultation programme highlighted strong public support for the majority of proposals. He explained that the area that had received more opposition than support was in relation to the proposal to offer a paid for home safety assessment service to low risk households and there was also concern expressed about the amount of the possible charge. Therefore, he proposed that the draft plan be amended to indicate that no further progress be made by the Authority unless a separate business case was approved.

The report referred to the proposed development of a safety centre and the considerable debate which took place in relation to both the location of the centre and the potential future annual revenue costs. However, it was suggested that the overall consensus remained in favour of both the overall

principle and the location and this would be reflected in the final draft of IRMP11.

The Head of Planning, Performance and Communications also informed the Committee that, following research and discussions with local Members, the proposed review of the impact of the Service having a presence at the former Redsands Children's Centre in Willaston, Crewe, which was proposed in the draft IRMP11, would be updated to state that the location did not currently meet the Service's risk and operational criteria for a new fire station.

Members discussed these proposed changes to the draft IRMP11 and a Member commented that he did not believe that the proposed location of the Safety Centre at Lymm had been approved. He also requested information on response times for a new fire station at Redsands, which had not been received, as he felt this information should be provided before any decisions were made. He stated that this site could be considered as an option for the Safety Centre along with other partners such as Cheshire East Council, Ambulance and Police. However neither this site nor Lymm were in the centre of Cheshire and further consideration needed to be given to transport arrangements for schools as this could be an issue which could impact on the centre's success.

It was noted that Members would have the opportunity to further debate the Safety Centre proposal at the Fire Authority on 12<sup>th</sup> February.

**RESOLVED: That**

**[1] the proposed updates to the draft 2014-15 Annual Action Plan (IRMP11) be confirmed.**

## **PART 2 – BUSINESS TO BE DISCUSSED IN PRIVATE**

**NONE**