

HUMBERSIDE FIRE AUTHORITY

16 FEBRUARY 2015

PRESENT:

Representing East Riding of Yorkshire Council:

Councillors Chapman MBE, Green, Head, Hodgson, Moore, Pearson and Turner

Representing Kingston upon Hull City Council:

Councillors Clarkson, Mathieson, Quinn, Petrini, Thompson and Wilson

Representing North Lincolnshire Council:

Councillors Briggs (Chairperson), Marper, Swift and Waltham

Representing North East Lincolnshire Council:

Councillors Baxter, Norton and Walker

Chief Fire Officer & Chief Executive, Executive Director Service Support/Section 151 Officer, Director of Operations (South), Monitoring Officer/Secretary, Committee Manager, Ms J Rae (KPMG) were also present.

Mr D Chapman, Mr A Smith and Mrs A Thomlinson (Independent Co-opted Members of the Governance, Audit and Scrutiny Committee) also attended as observers.

Apologies for absence were submitted from Councillors Burton and Mole.

The meeting was held at the Humberside Fire and Rescue Service Headquarters, Kingston upon Hull. Meeting commenced at 10.30 a.m.

(The Chairperson welcomed the Independent Co-opted Members of the Governance, Audit and Scrutiny Committee and all other persons who were present.)

4749 DECLARATIONS OF INTEREST – Councillor Petrini declared a non-pecuniary interest in Agenda Item 18 (Possible Relocation of East Hull fire Station) in her capacity as a member of Hull City Council's Planning Committee.

4750 MINUTES – *Resolved* – That the minutes of the meeting of the Authority held on 12 December 2014 having been printed and circulated amongst the Members, be taken as read and correctly recorded and be signed by the Chairperson.

4751 QUESTIONS BY MEMBERS - The Monitoring Officer/Secretary stated that no questions had been received from Members in accordance with Rule 12, Part 4 of the Constitution.

4752 PETITIONS AND DEPUTATIONS - The Monitoring Officer/Secretary stated that no petitions had been received and no requests for a deputation had been received under Rule 13, Part 4 of the Constitution.

4753 COMMUNICATIONS – The Monitoring Officer/Secretary stated that no communications had been received.

4754 MEMBERS' NEWSLETTER – This item was included on the Agenda to allow Members an opportunity to ask questions regarding any items included in the Members' Newsletter that had been emailed recently to all Members of the Authority. There were no questions.

4755 INDUSTRIAL ACTION UPDATE - Further to Minute 4717 the Chief Fire Officer & Chief Executive updated Members with regard to the latest position on industrial action and referred to an exchange of correspondence between Mr M Wrack, FBU General Secretary,

and the Chairperson of the Authority regarding the FBU’s understanding of the situation regarding pensions following the Early Day Motion (EDM) debate regarding Fire Service Pensions in Parliament on 15 December 2014. The Chief Fire Officer & Chief Executive reminded Members of the situation with regard to firefighter fitness that exists currently in Humberside which was considered to be at the forefront of fitness training and therefore did not anticipate any major issues in keeping the workforce at the required levels of fitness until their normal retirement age. Following the debate in Parliament there had been no substantive changes to the 2015 Pension Scheme Regulations as laid before Parliament and they were not annulled as a result of the EDM debate and its associated vote. In terms of the guarantee sought by the FBU regarding retirement of firefighters failing to pass the fitness test legal advice had been sought on this issue and the ability of authorities to offer such a guarantee. The advice received stated that under AIER rules, authorities have a power to determine that a fire-fighter should be retired under that rule, the rule does not however impose a duty as it is currently written. In addition, when exercising that power authorities must act within the general public law requirement that public bodies must not fetter their discretion. Any offer of such a guarantee in a service policy would fetter the discretion of the Authority to pay such a pension and would therefore be unlawful under the Pension Scheme rules. The Chief Fire Officer & Chief Executive stated the indications were that the FBU intended to recommence industrial action and that he would keep Members informed of any further developments.

Resolved – That the report be noted.

MINUTES OF COMMITTEES

4756 Governance, Audit and Scrutiny Committee – Resolved – That the minutes of the Governance, Audit and Scrutiny Committee held on 2 February 2015 be received.

EXTERNAL AUDIT (KPMG)

4757 Draft External Audit Plan 2014/15 – Ms J Rae (KPMG) submitted an audit plan setting out the work that the External Auditor proposed to undertake for the 2014/15 audit. The audit team would discuss and agree reports with officers before issuing them to the Governance, Audit and Scrutiny Committee and the Fire Authority in line with the following timetable:

<u>Planned Output</u>	<u>Indicative Date</u>
Interim Report	April 2015
Report to Those Charged with Governance (ISA 260 Report)	September 2015
Auditor’s Report (issue opinion and value for money conclusion)	September 2015
Whole of Government Accounts	September 2015
Annual Audit Letter	November 2015

The report included a table showing the planned attendance of KPMG representatives at meetings of the Committee and the Authority and indicated that the audit fee did not permit attendance at all nineteen meetings in the year. The report had previously been considered by the Governance, Audit and Scrutiny Committee on 2 February 2015 (Minute 4744 refers).

Resolved – That the draft Audit Plan 2014/15 be noted.

4758 MANAGEMENT ACCOUNTS 2014/15 – BASED ON PERIOD ENDING 31 DECEMBER 2014 - The Executive Director Service Support/Section151 Officer submitted a report containing the Authority’s Management Accounts based on the period ending 31 December 2014. The end of year projections for the revenue budget, the capital programme, the pensions account and HFR Solutions were as follows:

<u>Category</u>	<u>2014/15 Outturn projection</u>
<u>Humberside Fire Authority</u>	
Revenue Budget	£974k underspend
Capital Programme	£7.737m expenditure against £12.056m allocation
Pensions Account	£8.445m deficit
<u>HFR Solutions</u>	
Surplus after Corporation Tax	£200k

Further detailed information was contained within the additional information published alongside the Agenda papers for this meeting on the Authority's website. The accounts had previously been submitted to the Governance, Audit and Scrutiny Committee held on 2 February 2015 (Minute 4742 refers).

Resolved – That Members take assurance from the report and the Authority's financial position based on the period ending 31 December 2014.

4759 2015/16 BUDGET AND PRECEPT AND MEDIUM-TERM FINANCIAL PLAN

2015/16 TO 2017/18 - The Executive Director Service Support/Section 151 Officer submitted a report considering the Authority's Budget for 2015/16 onwards and also the setting of the precept for 2015/16. The report had been prepared in accordance with the Local Government Finance Act 1992 as amended by the Localism Act 2011 Sections 72 to 79 and the Local Government Finance Act 2012 to allow the Authority to approve:

- The Council Tax Requirement for 2015/16;
- The Council Tax Base figure for 2015/16; and
- The basic amount of Council Tax for 2015/16.

The report also complied with the Local Government Act 2003 in allowing the Authority to approve:

- The financial spending plans that are necessary to support the Authority's activities [Section 25(1)(a)]; and
- Maintenance of adequate reserves and provisions [Section 25(1)(b)].

Reports had previously been submitted to the Authority on the budget position for 2015/16 onwards. Reports had been considered at the September, October and December 2014 meetings.

The Final Local Government Finance Settlement for 2015/16 was issued on 3 February 2015. In line with the provisional settlement announced in December 2014 the key headlines were as follows:

- A 10.9% reduction in support from Government for 2015/16 (£2.4m);
- Council Tax Referendum threshold of 2% for Humberside Fire Authority for 2015/16.

The reduction in funding from Government was anticipated, but was still significant when compounded with the reductions that the Authority had suffered over the period 2011/12 to 2014/15. The Authority had worked very hard in anticipation of this austerity and by the close of 2014 had delivered efficiencies over the prior recent years of circa £7.5m. There were still major challenges ahead, not least from the anticipated reductions in support from Government for the period 2016/17 onwards. There was much speculation as to what that might entail but it was safe to assume that a further circa 30% cash reduction in support from Government could occur. The Authority's Revenue Budget and Capital Programme (Appendices A and B to the report) had been updated in line with new information that had

become available since December 2014. The main examples of this were: the Council Tax Base for 2015/16; Collection Fund surplus; and the Capital Programme which was largely based on the Premises, IT and Vehicles reports for 2015/16 onwards approved at the December 2014 Fire Authority.

The decision on the Authority's 2015/16 precept had to be taken in the light of a number of significant factors as follows:

- the Government had set a referendum threshold for 2015/16 of 2% for the Authority. Therefore any increase at or above that level would require a Humberside area-wide referendum in support. Clearly, there would be a significant cost attached to any such referendum.
- the Authority had frozen its precept in each of the years from 2011/12 to 2014/15 as part of the Government scheme in operation in those years. The last time the Authority increased its precept was by 1.6% in 2010/11. There was a freeze compensation scheme in operation again for 2015/16 with a grant equal to a 1% increase payable from Government. As with the previous freeze grant schemes there was some uncertainty (despite assurances that the council tax freeze grants will be 'baselined') over how the grant will be treated in 2016/17 onwards.
- the Authority had suffered a historic reduction in Government support over the period 2011/12 to 2015/16. Much had been done in anticipation of this but the fact remained that the Authority had lost £7.5m or 28% of its funding from Government over that period.

The setting of the 2015/16 precept was the decision of the Fire Authority and therefore the report now submitted presented two options for consideration:

- Option 1: Freeze the 2015/16 precept at the 2014/15 level, i.e. no change. This would attract 'compensation' from the Government in the form of a grant equal to a 1% increase in precept (for the Authority that was £226k). In comparison to Option 2 (see below) this course of action would result in lower funding of £591k over the period 2015/16 to 2017/18. Appendices A1, C1 and D1 to the report outlined the budget projections associated with Option 1.
- Option 2: Increase the precept by 1.9%. This option was inside the referendum trigger of 2% and offered additional funding of £591k over the period 2015/16 to 2017/18 when compared to Option 1. A 1.9% increase would add £1.48p to the annual charge for a Band D council tax. Appendices A2, C2 and D2 to the report outlined the projections associated with this option.

The benefits of any precept increase were constrained given the referendum threshold was only 2% compared to compensation grant from Government equal to 1%. This is further compounded if council tax freeze grants are to be 'baselined' from 2016/17 onwards, which essentially restores to the funding base some of the benefit that would have been achieved from a precept increase. The report also set out the outcome of a public consultation carried out from 1 December 2014 to 12 January 2015 on the council tax/precept for 2015/16 when Options of 0%, 1% and 2% increases were put forward.

With regard to the Medium-Term Financial Plan 2015/16 To 2017/18 the report indicated that Members had been regularly briefed on the Authority's medium-term financial position. In broad terms the budget for 2015/16 was balanced and the deficit for 2016/17 was circa £1.7m and the deficit for 2017/18 was £3m. The Authority's reserves consisted of the General Reserve (£5.232m at 31 March 2014) and a number of Earmarked Reserves created to meet specific areas of future expenditure (£12.029m at 31 March 2014). As a result of good forward planning by the Authority, the reserves were in a sound position, but they needed to be seen in the context of the current and future significant reductions in

Government funding and the major financial uncertainties that still lie ahead. The Authority maintained a number of earmarked reserves which would be utilised to meet the cost of schemes that were underway at the moment, e.g. Clough Road and also schemes that were due to start imminently, e.g. Central Hull and Brough Fire Stations. The cost of Industrial Action to the Authority (£932k since the start of the dispute in 2013) was a timely reminder of the need to hold reserves for unforeseeable cost pressures. A further potential cost pressure for 2015/16 related to employer contributions to the Firefighters' Pension Scheme. The Government's Actuary Department (GAD) was undertaking a valuation of the scheme at the moment. No information had yet been supplied on employer contribution rates that might be increased from 1 April 2015. This situation would be monitored very carefully over the coming weeks and months. The Authority's Section 151 Officer had confirmed, for the purposes of Section 25 of the Local Government Act 2003, that the budget estimates have been compiled on a robust and prudent basis; that the current reserves held by the Authority are adequate, and that the Authority has timely and robust budget monitoring arrangements.

The report concluded that whichever option the Authority selects for the 2015/16 precept it will be able to balance its budget. The Authority's budget was now in a sound position with efficiencies of £7.5m over the period 2011 to 2015 keeping pace with reductions in grant funding from government of £7.5m over the same period. This had been achieved whilst simultaneously maintaining the Authority's high response standards. Further efficiencies were required during 2015/16 in order to ensure a balanced budget for 2016/17. The work of the Service Redesign Programme was vital to achieve this with a series of workstreams underway at the moment.

Moved by Councillor Walker and seconded by Councillor Clarkson –

“That Members approve Option 2: Set the 2015/16 precept at a level 1.9% higher than 2014/15 and approve Appendices A2, B, C2 and D2 to the report”.

Resolved – That the voting on this item shall be by a recorded vote.

Upon being to put to the vote the voting was:

For: 7 (Councillors Clarkson, Moore, Petrini, Swift, Thompson, Walker and Wilson)

Against:13 (Councillors Baxter, Briggs, Chapman MBE, Green, Head, Hodgson, Marper, Mathieson, Norton, Pearson, Quinn, Turner and Waltham)

Motion Lost

Moved by Councillor Waltham and seconded by Councillor Chapman MBE –

“That Members approve Option 1: Freeze the 2015/16 precept at the 2014/15 level and approve Appendices A1, B, C1 and D1 to the report”.

Resolved – That the voting on this item shall be by a recorded vote.

Upon being to put to the vote the voting was:

For:12 (Councillors Baxter, Briggs, Chapman MBE, Green, Head, Hodgson, Marper, Norton, Pearson, Quinn, Turner and Waltham)

Against:8 (Councillors Clarkson, Mathieson, Moore, Petrini, Swift, Thompson, Walker and Wilson)

Motion Carried

Resolved - That Members approve Option 1: Freeze the 2015/16 precept at the 2014/15 level and approve Appendices A1, B, C1 and D1 to the report.

4760 FEES AND CHARGES 2015/16 - The Executive Director Service Support/Section 151 Officer submitted a report indicating that in accordance with the Fire Services Acts, Fire Authorities had the discretion to charge for special services performed (where there is no immediate threat of fire) and for services relating to training, fire safety and administration. The total income for the Fire Authority generated through these sources was circa £63k in 2013/14. The report outlined the Authority's Special Service and Other Charges for 2015/16 as set out in Appendix A to the report. The revised charges proposed reflected the following:

- Staff related costs – charges are normally uplifted in line with the firefighters' pay award. Given that the firefighters' pay award for 2014 was 1%, it was proposed that the charge be increased by 1%;
- Non staff related costs – uplifted in line with the Consumer Price Index (CPI) (as at September 2014 1.2%).

The report also indicated that Fire Service Circular 17/2001 advised Fire Authorities on the charges they may levy when dealing with cases of pension sharing involving serving members of the Firefighters' Pension Scheme or pensioners. The charges for 2015/16 would be increased in line with estimated local government pay award for 2014-16 of 2.2%. The charges were set out in Appendix B to the report.

Resolved - That the revised charges shown in the Appendices A and B to the report now submitted be approved with effect from 1 April 2015.

4761 MEMBERS' ALLOWANCES 2015/16 - The Monitoring Officer/Secretary and Executive Director Service Support/Section 151 Officer submitted a joint report indicating that the Fire Authority on an annual basis considers and approves a scheme of the allowances paid to Members. The approval of the scheme was a matter for the full Authority. The Local Authorities (Members' Allowances) (England) Regulations 2003 made provision for Combined Fire Authorities to establish Member Allowances Schemes from May 2003. Humberside Fire Authority approved a scheme in October 2003 (Minute 987 refers) that allowances would be increased annually from 1 April in line with the local government officers' pay award. The Authority had frozen basic and special responsibility allowances since 2008/09 but agreed that for 2011/12 the global amount for the Basic Allowance and Special Responsibility Allowances be frozen at the current level on the understanding that some allowances might be adjusted following the Third Review of Corporate Governance. In the event no adjustments were agreed following that review. The Authority at its meeting on 17 February 2014 (Minute 4419) agreed: "(a) that the allowances be frozen at their current level for 2014/15 as set out in Appendix 1 to these minutes, and (b) that a group comprising the Chairperson of the Authority and Group Secretaries together with a representative from the Governance, Audit and Scrutiny Committee consider further the matters set out in paragraph 9 of the report now submitted and make recommendations through the Governance, Audit and Scrutiny Committee to the full Fire Authority." It was reported that Part (b) of Minute 4419 had not been progressed and it was suggested that it did not need to be progressed. The current Scheme of Member Allowances, as from 1 April 2014 was set out in Appendix 1 to the report. The allowances were published in the press and online and were part of the Constitution.

The Authority was required to have regard to the recommendations made by any Independent Remuneration Panels in relation to any constituent unitary authority that had such a panel that nominates Members to the Fire Authority. The relevant reports of the Members Allowances Panels for the four constituent unitary authorities were attached at Appendix 4 to the report. It was difficult to draw a comparison with the allowances paid at other Combined Fire & Rescue Authorities, primarily owing to the different composition and governance arrangements in place. It was however notable that some authorities pay an allowance to a political group leader/group secretaries. Those comparisons also provide an indication that the basic allowance and Vice Chairpersons' allowance is greater than many. Attached at Appendix 2 to the report was a sample of allowances paid by some other Combined Fire Authorities in 2012/13, 2013/14 and 2014/15. This was by way of

information only and clearly the authorities concerned will be setting fresh allowances for 2015/16. Attached at Appendix 3 to the report was a comparison of the allowances paid by each of the authorities who nominate Members to the Fire Authority.

Previously, before the Localism Act 2011, there were specific dispensations set out in Regulation permitting Members to vote in matters of allowances and setting a precept. In regard to allowances, all Members were likely to have a disclosable pecuniary interest. However, guidance published by the Department for Communities and Local Government in 2012 confirmed that no dispensations were necessary with regard to setting a precept. Under the Regulations, on 1 April (or as soon as practicable thereafter) the allowances paid to Members for 2014/15 will be published. In addition, the new Scheme (2015/16) will be published. This also meets the requirements of the Code of Transparency introduced towards the end of 2011.

Resolved – That the allowances be frozen at their current level for 2015/16 as set out in Appendix 1 to these minutes.

4762 SENIOR MANAGEMENT REVIEW – The Chief Fire Officer & Chief Executive submitted a report reminding Members that at the Authority meeting on 25 April 2014 Members approved the trial of a revised structure for the two most senior levels of Service management for a maximum period of 12 months from the date of its implementation. Since the report of April 2014 the Chairperson and the Chief Fire Officer & Chief Executive had exercised the authority delegated to them in that report terminating the post of Director of People/Monitoring Officer. An associated secretarial post (at that time vacant) was also deleted from the establishment. The role of Monitoring Officer/Secretary to the Authority has subsequently been permanently outsourced to East Riding of Yorkshire Council and is currently undertaken by Mathew Buckley. The management of the service HR function has been successfully carried out by the trial post of Director of Service Support. Savings were already being realised as a result of the trial Corporate Management Team (CMT) structure and indeed with the approval of the structure described in the report now submitted annual savings of circa £250k will be made from the senior management pay budget.

Since the commencement of the trial a revised Gold Command and Area Manager operational rota had been operated and had successfully incorporated the Executive Director of Service Support within it which enabled access to corporate advice at all times. The revised structure had realised the benefits outlined in the April 2014 report namely:

- More appropriate spans of control
- A clear focus on outcomes through Service Delivery
- Improved operational resilience at a senior level
- A more focused Executive Team
- Greater capacity in the wider CMT
- Improved engagement with key senior officers.

However, the trial had also revealed the need to make adjustments in some areas to enhance the benefits to the Service, particularly in terms of spans of control, but the essential elements in terms of posts and efficiency savings remain as previously reported in April 2014. The trial had allowed the structure to be used to shape phase 1 of the Service Redesign Programme (SRP) work and that in turn had influenced the adjustments to the spans of control mentioned above. To that end the structure now reflected two Director posts to be line managed by each Executive Director bringing a greater resilience and balance to the responsibilities of the Executive Team, defining the role and function of Training as a service support function and reinforcing the ideal that first class service delivery is only possible with first class service support. The structure deliberately omitted the line management of HFR Solutions for the purpose of the report now submitted being as it was focused on the better management and governance of HFRS. However, Members were reassured that the CMT arrangements described incorporated the capacity to manage

HFR Solutions in the short to medium term albeit as the company grows any consequential management capacity issues would be reviewed and reported to the Authority accordingly via the HFR Solutions Board.

Whilst approval was being sought to end the trial of the structure and make it permanent CMT had been mindful of the continued backdrop of efficiency savings expected. To that end CMT will continue to apply the current service policy of the review of each post as it becomes vacant to ascertain whether there is a continued need for the post or a more efficient way of fulfilling its function. The outcomes of such reviews will be reported to the Authority as they arise. Also whilst the general responsibilities of the Directors were clear the detail of the functional areas that need to be considered in the wider management of the Service were now under active consideration by the SRP team and will be dovetailed with the outcomes of the consultation on phase 1 of SRP (Incident Command Review) which are reported elsewhere on this meeting's agenda. The rationale, business case and expected improvements in relation to the new structure were all as previously outlined in the original report of April 2014.

Resolved - That Members approve, commencing 1 April 2015:

- (i) The structure outlined at Appendix 1 to the report to be made permanent subject to the chart in Appendix 1 being amended to read "Director of Service Support" in place of "Director of Internal Service";
- (ii) the deletion of one uniformed ACO post from the Service establishment, and
- (iii) the recognition of the post(s) of 'Director' in the structure of the Corporate Management Team.

SERVICE REDESIGN PROGRAMME – INCIDENT COMMAND AND SPECIALIST FUNCTIONS REVIEW

4763 Consultation Outcomes – The Chief Fire Officer & Chief Executive submitted a report reminding Members that at the Member Day on 7 October 2014 and Authority meeting on 24 October 2014 Members were presented with outcomes from staff engagement regarding the resourcing and delivery of Incident Command and Specialist Functions. At the meeting on 24 October 2014 Members approved a range of options that the consultation should include. The options which were approved for consultation included options for the provision of incident command and other related specialist functions, currently resourced predominantly through the Flexible Duty System (FDS), and the optimum number of officers required for these operational activities. An option was also included relating to the resourcing of the Command Unit, currently based at Calvert Lane Fire Station. An overview of all the options was attached at Appendix 1 to the report. A formal public 12 week consultation commenced on 1 November 2014. The objective of the consultation was to establish participants' most favoured options which were presented as part of this phase of the Service Redesign Programme. As such, the consultation was designed to provide the Authority with information to be considered when determining which options to approve for implementation. Members of staff, the public, partners and other stakeholders were invited to take part, either through completing the online survey on the Service's website or by attending one of the consultation events which were held across the Service area. The report now submitted was concerned only with the outcomes of the consultation. In total, 100 feedback forms were returned. In addition a narrative response was received from East Riding of Yorkshire Council which broadly supported the options recommended by CMT. A narrative response was also received from the Fire Brigades Union (FBU) which did not support the implementation of any of the options or the Service Redesign process. The Fire Officers' Association had also sent a narrative response which also does not support any of the options. Elsewhere on the Agenda for this meeting was a separate report seeking approval for a number of options to be implemented (Minute 4764 below refers). That report takes into account, and refers to, some of the outcomes included within this report. An

overview of the outcomes from the consultation process was attached at Appendix 2 to the report. In addition, the actual returns were available for Members (and any other interested person) to view in the Corporate Communication office at Service Headquarters.

Resolved - That Members consider the report now submitted and take into account its findings in their approval, or otherwise, of options related to this phase of the Service Redesign Programme.

4764 Options for Implementation – Further to Minute 4763 above the Chief Fire Officer & Chief Executive submitted a report indicating that the first phase of review work undertaken by the Service Redesign Team had been to establish the optimum numbers of Officers required to fulfil the Services' specific requirements for incident command and other specialist operational response functions, currently resourced predominantly through the Flexible Duty System (FDS). The first phase was also an opportune and appropriate time to review the resourcing of the Command Unit, currently located at Calvert Lane Fire Station. Initial options were considered through early engagement with internal stakeholders. Subsequently the Authority on 24 October 2014 (Minute 4679 refers) approved a number of options to go out for formal consultation. Updates on the formal consultation stage had been given at the Member Days held on 7 October 2014 and 19 January 2015. Any proposals that are approved would be incrementally implemented in line with the staff retirement profile, without the need for redundancies. A list of the options consulted upon, and a brief analysis of them, was included at Appendix 1 to the report. The outcomes of the consultation were reported in detail in the report on the previous Agenda item (Minute 4763 above) and a summary of the consultation outcomes was included at Appendix 2 to the report now submitted. The intention was that any implementation would take place in line with the retirement profile of FDS officers and therefore options would be implemented gradually, and sequentially, over a period of time. Members were reminded that it was impossible to predict exactly when operational staff will retire. However, an indicative timescale for implementation, assuming that all recommended options were approved and that staff retire at their earliest possible opportunity was included at Appendix 3 to the report.

The options consulted upon had previously been presented to Members in detail with particular focus on:-

- Benefits - In terms of the impact of each option upon incident response, functional management and potential financial efficiency.
- Risks - In terms of incident response resilience and potential impact upon Terms and Conditions.
- Outcomes - In terms of the overarching impact and value of each option.

Additional background information relating to each option was also provided for Members, which included:-

- Current incident command and specialist function structures.
- Review imperatives that ensured risk critical issues were taken into consideration, such as capacity to deal with simultaneous incidents or spate conditions, and National Resilience requirements.
- A description of the roles of Group, Station and Watch Manager posts, including their national role maps.

Nine options, detailed at Appendix 1 to the report, were consulted upon. Those options for FDS Group Manager, FDS Station Manager and Day Duty Watch Manager had two alternative resourcing options, of which only one for each role could be implemented. The options for Day Duty Station Manager, fire station based Watch Manager and the Command Unit had one resourcing option each. All options had a 'none of the above' response choice during consultation for anyone wishing to suggest alternatives. Options to reduce the number of Group Managers had been successfully mapped across the overarching functions of Service Delivery and Service Support, resilience for incident and Gold Command functions have also been considered within the Senior Management Review, reported

elsewhere on the Agenda for this meeting (Minute 4762 above refers). The potential financial costs or savings related to each option below Group Manager level were shown as a range which varied from the largest savings, assuming that posts required for incident command were the only managerial posts required at that level, to the smallest savings which assumed that there were changes to the number of incident commanders, but there was no overall change to the number of managerial posts. The final position on savings would be dependent on further areas to be reviewed as part of the SRP.

The report set out the options recommended by the Corporate Management Team (CMT), from those consulted upon, for incremental implementation, together with the CMT's comments and the financial savings associated with the options:

- Option 1 - Reduction in Group Managers from 12 to 8
- Option 3 - A reduction in FDS Station Managers from 20 to a minimum of 16
- Option 5 - Removal of a maximum of 10 Station Manager Day Duty posts
- Option 6 - A maximum 20 of 46 Day Duty Watch Manager posts are assimilated into Flexi Watch Manager posts.
- Option 9 - Change to Command Unit crewing arrangements.

Feedback during engagement and the outcomes from consultation indicated that Option 8, to change resourcing arrangements for Watch Managers at Wholetime Fire Stations, required further consideration. Other potential options for shift based Watch Managers suggested during consultation might however be trialled and adapted, prior to a future report to the Authority relating to this option. Therefore it was not recommended that Option 8 be approved at this time. A review of recall to duty arrangements for operational officers would be undertaken in tandem with the implementation of any approved options. There may be costs attached to any negotiated changes, although it was not expected they would be significant in relation to the overall potential savings of this part of the programme.

With regard to drivers for change the report reminded Members that whilst the team had not been set any specific targets relating to financial savings the reviews being led by SRP were part of the mitigation put in place to deal with the financial risk highlighted in the Strategic Risk Register. Therefore there was an expectation that the SRP will provide options for the Authority to reduce the budget in future years in line with the predicted savings required. Members were also aware that as incident numbers had declined over a number of years officers attend less incidents as a result and there might be an issue of officers not getting the exposure to incidents that was so beneficial to maintaining command competence. Whilst that risk was largely mitigated by existing training and command assessments it was still felt that it was preferable to have a smaller number of officers, acting as incident commanders, and each one attending a larger number of incidents.

With regard to implementation the report indicated that all options could be achieved in line with the retirement profile of existing post holders, without the need for redundancies, and that it was recognised that the transformation might take several years before full implementation could be achieved and all supernumerary posts were absorbed. Early adoption of options for Group Manager posts were feasible however. Consideration had been given to the impact of options on effective functional management activity. Engagement was taking place with Group Managers and Grade 13 Managers, in conjunction with CMT members, around the design of an optimal organisational structure. The outcomes from that work will then be used by CMT to inform their decisions regarding the future functional management structure for the Service. A report relating to this will be brought before the Authority prior to implementation.

The report stated that the SRP will inform the Authority whether the Service can be managed and supported more efficiently and therefore enable Members to release savings as a result. Any savings identified would contribute to the remaining budget deficit that is predicted for 2016/17. Savings, if all options at paragraph 11 were approved and implemented, were within the range of £220k to £1.7m.

Resolved - (a) That Members approve the implementation of the options outlined in paragraph 11 of the report, from those that had been consulted upon;

(b) that Members endorse that the Chief Fire Officer & Chief Executive will initiate an incremental implementation of the approved options at an optimum time in line with the retirement profile, and

(c) that Members approve that progress reports will be brought before the Authority as appropriate.

4765 POSSIBLE RELOCATION OF EAST HULL FIRE STATION – The Deputy Chief Fire Officer/Executive Director Service Delivery submitted a report reminding Members that the Transformation Fund application submitted to the Government to provide funding to potentially relocate East Hull Fire Station within an Integrated Health Care facility, which was endorsed by the Authority in July 2014, was unsuccessful. Due to the fact that East Hull fire station will soon become the oldest in the Service, built in 1928, and running costs are high due to its age officers had continued to engage with the Hull Clinical Commissioning Group (CCG) to explore the costs, benefits and risks of the relocation if the Authority decided to go ahead without Government funding. Those discussions had taken place without any commitment to proceed and with no expenditure, other than officer time. Early indications were that there were likely to be benefits in terms of working arrangements and ease of access to people who might be vulnerable from fire, and also that the cost to the Authority of relocating was likely to be significantly lower than rebuilding the station, as was being done at Clough Road, on the existing site. In parallel with the discussions with the CCG more detail will be worked up regarding costs, benefits and risks and that will include analysis using FSEC to predict the impact on response standards, workloads and risk to the public. That information will be provided to Members to inform decision making. It was anticipated that all the required information will be brought before the Authority at the meeting in April 2015; however, a brief summary of current estimations of comparative costs was as follows:

<u>Capital Costs</u>			
Rebuild on current site	£4m	Contribution to costs at Health Centre	£1m
<u>Revenue Costs</u>			
Rates and utilities on current site (per annum)	£54k	Contribution to running costs at Health Centre	£25k

Resolved – (a) That Members endorse the work being undertaken by officers to establish if there is merit in relocating East Hull Fire Station; and

(b) that a further report, outlining costs, benefits and risks, be submitted to Members for consideration as to whether the Authority would approve, subject to planning considerations, the relocation of East Hull Fire Station within the Integrated Health Care facility.

Meeting closed at 11.11 am

PART 6

MEMBERS' ALLOWANCES SCHEME

The Local Authorities (Members' Allowances) (England) Regulations 2003 made provision for Combined Fire Authorities to establish Member Allowances Schemes from May 2003. The HFA approved a scheme in October 2003 that allowances would be increased annually from 1 April in line with the local government officers' pay award. It was also resolved that a full review should be conducted after 4 years.

A review was undertaken during 2006/07 and reported to the March 2007 meeting of the HFA. The Regulations require that the HFA shall have regard to the recommendation of any of the Independent Remuneration Panels in relation to any authority by which any of its Members are nominated

The HFA at its meeting on 16 February 2015 agreed that the allowances be frozen at their current level for 2015/16 as set out below

	£
1. Basic Allowance (per annum)	
All Members	4,457
2. Special Responsibility Allowances:	
a. The Chair of the Authority	11,137
b. The Vice Chair of the Authority	8,356
c. The Chairs of Committees	561
3. Co-optees Allowance (per annum)	548
4. Childcare & Dependant Carer Allowances (per hour)	
a. Childcare	5.80
b. Dependant	10.40
5. Travel Allowances	
a. Car Allowances – In accordance with the National Joint Council for Local Government Services casual user rate:	
Up to 999cc	0.469*
Over 999cc	0.522*
(up to first 8,500 miles per annum, thereafter £0.144*)	
b. Bicycle (per mile)	0.05
c. Public Transport	Actual Cost
6. Subsistence Allowances	
Actual cost not exceeding	
a. Breakfast – more than 4 hours before 11.00am	6.46
b. Lunch – more than 4 hours including 12noon to 2.00pm	8.92
c. Tea – more than 4 hours including 3.00pm to 6.00pm	3.50
d. Dinner – more than 4 hours ending after 7.00pm	11.03
e. Overnight (covering 24 hours)	
London #	136.40
Outside London	120.42
f. Out of Pocket Expenses (per night)	4.92
(# Includes Local Government Association and Annual Fire Conferences overnight attendances outside London.)	

Note: * Not increased by NJC since 1 April 2010

