

POLICY & RESOURCES PANEL

Minutes of the meeting of the POLICY & RESOURCES PANEL held Via Webex at 11.30 am on Thursday, 23 July 2020.

Present: Councillors Peltzer Dunn (Chairman), Galley, Tutt, Pragnell, Scott and Powell

Also present: D Whittaker (Chief Fire Officer), M Andrews (Assistant Chief Fire Officer), M O'Brien (Deputy Chief Fire Officer), L Ridley (Assistant Director Planning & Improvement), D Savage (Assistant Director Resources/Treasurer), H Scott-Youldon (Assistant Director Peoples Services), P Jassal (Interim Finance Manager), L Woodley (Deputy Monitoring Officer), C Porter (ITG Projector Coordinator), A Blanshard (Senior Democratic Services Officer) and E Simpkin (Democratic Services Officer)

1 Declarations of Interest

There were none.

2 Apologies for Absence/Substitutions

Apologies were received from Councillor Sheppard.

3 Notification of items which the Chairman considers urgent and proposes to take at the end of the agenda/Chairman's business items

There were none.

4 Minutes of the last Policy & Resources meeting held on 16 January 2020

RESOLVED: That the minutes of the meeting of the Policy & Resources Panel held on 16 January 2020 be approved as a correct record and signed by the Chairman.

5 Callover

Members reserved the following items for debate:

6. Revenue Budget and Capital Programme Monitoring Provisional Outturn 2019/20
7. High Level Review of Revenue Budget 2020/21 and Capital Programme 2020/21 to 2024/25

6 Revenue Budget and Capital Programme Monitoring Provisional Outturn 2019/20

The Panel received a report from the Assistant Director Resources/Treasurer (ADR/T) on the provisional outturn for the 2019/20 Revenue Budget and

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Capital Programme. The report was made on an exception basis and addressed those areas where there were material variances, based on the position at 31 March 2020. The ADR/T highlighted that the forecast was subject to change as the year end process continued and the external audit carried out.

The Panel noted that the Revenue Budget was provisionally overspent by a net £48k; an adverse variation of £220k from the forecasted underspend of £173k reported in January 2020. The current year's revised Capital Programme was provisionally forecast to be £456k underspent, of which £447k was slippage into the next financial year against the revised Capital Programme, leaving £9k as the real underspend. With regard to the use of reserves, the actual drawdown was lower than previously planned, mainly due to delays to projects and an increase in the Section 31 grant as a result of Covid-19. Further details on the variances across the Revenue Budget and the Capital Programme were set out in the report.

The Panel queried the People Services underspend and the potential impact that vacancies were having on staff. The Assistant Director People Services (ADPS) informed Members that the vacancies, which included two positions for maternity cover and a TUPE specialist to support the Project 21, were currently being advertised. Fixed term contracts had been used as an interim measure whilst a restructure had taken place to ensure that resources were appropriate to the needs of the organisation. It was recognised that HR had played a critical role during the pandemic.

Members also asked about the impact of Covid 19 on training and the Retained Duty System (RDS). The ADPS explained Service Training Centre had been open and training had continued with risk assessments and appropriate control measures in place. Staff had also been utilising online distance learning. RDS recruitment had been paused. Lung function tests were not currently available, however, the Covid-19 Working Group was considering the options for restarting these as soon as possible.

The Panel welcomed the report and commended officers for achieving a position within 1% of the Net Revenue Budget despite difficult circumstances.

RESOLVED: That the Panel noted:

- (i) the provisional 2019/20 Revenue Budget outturn,
- (ii) the provisional Capital Programme outturn,
- (iii) the net use of Reserves during the year
- (iv) the Savings delivered in 2019/20, and
- (v) the Cash Investments at year-end.

That the Panel approved:

- (vi) the Capital slippage of £447,000 into 2020/21;
- (vii) the use of General Fund reserves to finance the net provisional overspend.

7 High Level Review of Revenue Budget 2020/21 and Capital Programme 2020/21 to 2024/25

The ADR/T introduced the report which highlighted the key findings of a high level review undertaken on the Revenue Budget 2020/21 and the 5 year Capital Programme. Given the current pandemic the ADR/T cautioned that the situation was changing on a weekly basis. It was noted that there were currently revenue pressures in the region of £800k. Funding solutions including the use of contingency, general fund reserves, Covid-19 Grant and budget savings had been identified to mitigate the pressures leaving a remaining funding gap of £94k. Further delays to the Capital Programme, in the region of £1m, were expected due to Covid-19, however, it was too early for a full assessment. Some expenditure had been reduced as a result of Covid such as fuel, training, travel and subsistence. Further details on budget pressures were set out in the report.

The ADR/T also highlighted the financial challenges facing the Authority in its planning for 2021/22 which included additional ongoing pressures of £200k in addition to the savings gap identified in Medium Term Financial Plan mid case scenario (£1.2m), a pay award for support staff 0.75% over the 2% budgeted for, a loss of income as a result of reduced council tax and business rate collections due to Covid 19, continued reliance on one-off funding from Government (Pension Grant and Protection Surge Funding) and the impact of recent cases on the Fire Fighter's Pensions scheme (McCloud / Sargeant and Matthews / O'Brien).

Discussion was also had over the forthcoming Comprehensive Spending Review (CSR) and the Home Office reform agenda. The Chief Fire Officer (CFO) informed Members that CSR submissions were being drafted and could be shared with Members. Briefing sessions for local MPs were also in the process of being arranged. With regard to the Government review on the role of Police and Crime Commissioners, the CFO added that the National Fire Chiefs Council (NFCC) would be formulating a response to questions posed on fire governance, however, the Fire Authority may want to develop its own submission from a political perspective. The CFO added that a key aspect to the Home Office reform agenda was for Fire Authorities to show strength in difficult decision making and the ability to instigate appropriate changes. Members acknowledged the importance of having a robust Integrated Risk Management Plan to ensure that service was in strong position to deal with future challenges and deliver an effective service. The Panel understood that there would be financial challenges to overcome both locally and for the sector nationwide and that engagement with the Home Office would be key.

RESOLVED: That the Panel noted:

- (i) the one-off and ongoing revenue budget pressures identified
- (ii) the use of contingency to finance one-off pressures

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- (iii) the other proposed funding options proposed in the report
- (iv) the slippage identified in the Capital Programme
- (v) the risks to the agreed Savings Programme
- (vi) the correction to the agreed capital financing for 2020/21
- (vii) that officers will identify areas where in year savings can be delivered in 2020/21
- (viii) the emerging scale of the financial challenge for 2021/22 onwards including the impact of Covid 19.

The meeting concluded at 12.25 pm

Signed

Chairman

Dated this

day of

2020