

At a meeting of the HAMPSHIRE FIRE AND RESCUE AUTHORITY FINANCE AND GENERAL PURPOSES COMMITTEE held at Hampshire Fire and Rescue Service Headquarters, Eastleigh on 24 July 2013.

PRESENT:

Councillors : J. Bennison; G. Burgess; C. Carter (Chairman); M. Cooper; G. Hockley; R. McIntosh; A. Pope; R. Price; D. Simpson; R. Smith and L. Stubbs (Vice-Chairman)

**1 APOLOGIES**

There were no apologies received for the meeting.

**2 DECLARATIONS OF INTEREST**

Members were mindful of their duty to disclose at the meeting any disclosable pecuniary interest they had in any matter on the agenda for the meeting, where that interest was not already entered in the Authority's register of interests, and to disclose any other pecuniary or non-pecuniary interests in any such matter that they wish to disclose.

Councillors Chris Carter, Roger Price and Royston Smith declared a pecuniary interest in relation to Item 15 in the Minute Book, as Directors of 3SFire.

**3 MINUTES AND MATTERS ARISING**

In reference to the previous Minutes and apologies given for the meeting, Members enquired about the variation in reasons given for absence for the Minute record. It was agreed for future apologies that these be recorded as due to 'other Council business'.

The Minutes of the meeting held on 29 January 2013 were confirmed as a correct record and signed by the Chairman.

**4 CHAIRMAN'S ANNOUNCEMENTS**

Councillor Carter updated the Committee about his recent attendance on behalf of the Authority, at the LGA Conference. This included attendance on seminars related to Sir Ken Knight's Efficiency Review and a presentation regarding local government bonds.

**5 DEPUTATIONS**

There were no deputations for the meeting.

**6 REVIEW OF THE COMMITTEE'S TERMS OF REFERENCE**

The Committee considered a report of the Chief Officer in relation to a review of the Committee's terms of reference for 2013/14 (Item 6 in the Minute Book).

The Director updated Members on the new proposed terms of reference for the Committee. Terms of reference were being renewed across all HFRA committees.

RESOLVED:

That it be a RECOMMENDATION to the Authority:

That the changes to the Committee terms of reference are approved.

## **7 FINAL ACCOUNTS 2012/13**

Councillor Pope declared a personal interest as Chairman of Hampshire and Isle of Wight Cooperative Party, in relation to queries raised over banks within this Item.

The Committee considered a report of the Treasurer and Chief Officer regarding the final accounts for 2012/13 (Item 7 in the Minute Book).

The Treasurer updated Members on the key highlights of the final accounts report for the year. This included the success of advance planning in anticipation of the government grant reduction within the Comprehensive Spending Review, which had resulted in healthy reserves and savings for the Authority.

The £1.9million underspend against the total budget was highlighted. This would be used to mitigate government cuts in grant funding over the next few years. Part of the vehicle replacement programme had slipped due to later approval of projects owing to Hampshire Fire and Rescue Service (HFRS) re-evaluation of operational needs. This had produced some of the budget underspendings.

Members were provided with an addendum proposing an increase in the treasury management counterparty limit following an increase in the HFRA's cash balances since the end of 2012/13, for reasons outlined in the report. This increase would allow greater flexibility for the management of funds.

Members enquired about the purchase of communications equipment. This was currently on hold and therefore pending further development and an update would be provided in due course. Members enquired about delays to the capital programme and the Treasurer explained that this was the result of timescales being re-evaluated.

Members agreed the report's recommendations and the additional recommendation as shown in the addendum.

Members received a presentation from the Treasurer regarding the Treasury Management Framework. Key elements of the Framework were provided. The Committee took the opportunity to discuss a number of aspects including loan and investment strategy, the use of yields from investment, the role of the financial reporting system (SAP), and potential investment in the stock market.

RESOLVED:

- a) The Committee approved the carry forward of specific underspendings set out in paragraph 8.2 of the report.
- b) The Committee approved the accounts for 2012/13 including the use of reserves set out in paragraph 8.7 of the report.

- c) The Committee approved the increase to the counterparty limit for approved banks and building societies in the Fire Authority's Treasury Management Strategy to £7 million (as shown in the report addendum).

That it be a RECOMMENDATION to the Authority:

- d) That the annual treasury outturn report set out in appendix 3 of the report be approved.

## **8 BUDGET MONITORING – QUARTER ONE 2013/14**

The Committee considered a report of the Treasurer and Chief Officer in relation to the budget monitoring update for quarter one of 2013/14 (Item 8 in the Minute Book).

The trend in financial underspending was continuing from the previous year and officers were looking at whether any of the underspend could be classed as ongoing savings. The proposed investment was highlighted and confirmed.

Members enquired about recruitment and redundancy. The difficult balance of retaining enough staff whilst not having too many was noted and it was confirmed that recruitment was required at present, due to natural turnover. Members enquired about the definition of business critical posts. It was explained that some posts remaining unfilled would lead to significant problems but that these were not related to seniority.

RESOLVED:

- a) The Committee noted the latest financial position for 2013/14.
- b) The Committee noted the contributions to the Blue Lamp Trust at paragraph 3.18
- c) The Committee approved the investments over £100,000 listed at paragraph 3.26.

That it be a RECOMMENDATION to the Authority:

- d) That changes to the capital programme and its financing as set out in the report are approved.

## **9 CONTRACTS REQUIRING THE AUTHORITY'S SEAL**

The Committee considered a report of the Chief Officer which provided the Committee with an update on contracts requiring the Authority's seal (Item 9 in the Minute Book).

The Director highlighted for Members the three contracts which required approval. It was queried whether there was an ethical procurement policy relating to construction services, and whether such a policy included restriction on firms that practice blacklisting. It was proposed by a Member that approval of this contract be deferred until further clarification was available however, this was not supported by the Committee.

The legal officer present for the meeting provided advice to the Committee regarding the Service's general procurement arrangements. A vote was held on the recommendations in the report and it was resolved that:

RESOLVED:

The Committee agreed to the sealing of the following contracts:

- a) Deed of Accession for the provision of construction services (section 4);
- b) Contract for the provision of Medical Director Services (section 5); and
- c) Southern England Local Partners (SELP) agreement (section 6)

In accordance with Standing Order 16 (4), Councillor Pope's abstention from the vote was recorded.

- d) The Committee also agreed that further clarification would be sought over whether the Service could take blacklisting activity into account in its procurement procedures.

## **10 UPDATE ON THE AUTHORITY'S INSURANCE ARRANGEMENTS**

The Committee considered a report of the Chief Officer in relation to the Authority's insurance arrangements (Item 10 in the Minute Book).

The Performance Review Manager provided an update on the Authority's insurance arrangements including an overview on the Service's insurance cover and claims processes. HFRA was part of a consortium with a number of other fire authorities and this helped the Service to achieve economies of scale. A summary of current insurance cover was highlighted. The Authority was working to reduce its risk profile with its fellow members of the consortium, and was currently reviewing its main profiles of risk with the assistance of a risk specialist.

Ministry of Justice changes to public liability claims processes were highlighted. These changes require prompt action from the Service to hold effective and swift investigations within the set deadlines to take advantage of the potentially lower legal fees arising from claims.

Motor and property claims were discussed. Increases in motor premiums within the Service were due to a general increase in motor premiums and the special nature of blue light insurance. Motor claims experience had been improving however, the Service was performing less well than a number of its other Consortium members and needed to keep claims to a minimum. Property claim increases were deemed attributable to an increase in theft of lead from fire station roofs. The Service's experience of employee and public liability claims overall however, was positive and lower in comparison to other Consortium members.

Members enquired about timescales for the tendering contract in relation to the new insurance contract planned for November 2013, through the Consortium. It was confirmed that plans were already underway and progressing to meet set timescales.

Reversing incidents involving service vehicles were discussed. It was confirmed that cameras were used for reversing and the Service was required to use 'banksmen'. Vehicles were often driven in difficult situations and good practice was reinforced through training.

Members enquired about incidents involving lead theft. There had been a spate of lead thefts and the police were involved in reviewing these incidents. Members asked about joint working in relation to the increase in metal theft due to the impact this had on operational safety. It was confirmed that the Service was working with its partners to mitigate these risks.

The total insurance premium was questioned and it was confirmed that it was subject to tendering negotiations.

RESOLVED:

The Committee noted the contents of the report.

## **11 ENERGY EFFICIENCY AND CARBON MANAGEMENT**

The Committee considered a report of the Chief Officer in relation to energy efficiency and carbon management (Item 11 in the Minute Book).

The Director highlighted key areas of progress in delivering the Carbon Management Plan. Financial implications of the Plan were outlined. The Plan included all stations but also considered individual station requirements.

The role of the elected Member 'Environmental Champion' was discussed as a new appointment was required following Authority election changes. Councillor Bennison was nominated to undertake the role and this was agreed.

RESOLVED:

- a) The Committee noted the progress to date on delivering the carbon management plan projects.

That it be a RECOMMENDATION to the Authority:

- b) That Councillor Bennison is appointed as the new 'Environmental Champion' Member for the Programme Board.

## **12 CODE OF PRACTICE RELATED TO CONTRACTS**

The Committee considered a report of the Chief Officer in relation to the code of practice related to contracts (Item 12 in the Minute Book).

The Director highlighted goods and services contracts to be let in the coming year which exceeded £50,000. Members enquired about the radio equipment contract and for clarification regarding new technology and timescales for implementation. Members also asked about the figures for LGV driver training which the Director agreed to confirm in due course.

RESOLVED:

The Committee noted the annual report on contracts.

### **13 PROPERTY RELATED MATTERS**

The Committee considered a report of the Chief Officer in relation to property related matters (Item 13 in the Minute Book).

The Director provided an update on asset related activities which had been carried out by HFRS under the Authority's Scheme of Delegation. There were five decisions which had been taken using these powers for land or property acquisitions or disposals (not exceeding £250,000).

RESOLVED:

The Committee noted the actions taken under delegated powers.

### **14 JOINT WORKING IN HAMPSHIRE – PROGRAMME UPDATE**

The Committee considered a report of the Chief Officer which provided a programme update on joint working in Hampshire (Item 14 in the Minute Book).

The Director highlighted the background to the joint working programme for Members and its progress to date. The programme was currently moving to the implementation stage. The occupational health teams for Police and Fire were currently combined under interim arrangements, to deliver occupational health services. This might be extended to include Hampshire County Council in future. An update on the transfer of staff was provided and it was confirmed that up to 60-70 staff would be affected by the transfer.

Members asked about the use of Fire Headquarters following the transfer of staff to the IBC (Integrated Business Centre). It was agreed that a report would be provided to a future meeting of the Committee outlining developments for Headquarters.

The Committee discussed harmonisation of terms and conditions for staff transferred under the protection of TUPE. It was confirmed that terms and conditions would be protected on transfer but that the structure would need to be reviewed and possibly revised subsequently. It was clarified that procurement policies would remain the responsibility of HFRA under future joint working.

RESOLVED:

- a) The Committee noted the progress to date of the Joint Working in Hampshire project.
- b) The Committee agreed that a report in relation to use of Headquarters following staff transfers be provided at a future meeting.

### **15 UPDATE ON THE AUTHORITY'S COMPANY – 3SFIRE LTD**

Councillors Chris Carter, Royston Smith and Roger Price withdrew from the meeting due to their pecuniary interest as Directors of 3SFire.

The Committee considered a report of the Chief Officer which provided an update on the Authority's Company 3SFire Ltd (Item 15 in the Minute Book).

The Committee was provided with their first six monthly update about the Company. The Director confirmed to Members that good separation had been established between the Authority and 3SFire Ltd.

Members enquired about being able to hold the Company Board to account to ensure sufficient consultation on major contracts. The Director confirmed arrangements were in place for HFRA representation as stakeholders, and following a review of arrangements at the last Standards and Governance Committee, it had been agreed that scrutiny of the Company could be carried out at the Company's annual meeting.

In relation to the 3SFire's business plan, Members enquired about the use of HFRS facilities for specialist training, it was confirmed that these costs would be covered by the Company. Members asked about extension of its activities beyond the current parameters of the business plan, it was confirmed that the Company's range of activities were not being considered to move outside fire services at present.

Appointment of Company Directors was clarified and it was confirmed that re-appointment would be considered at each annual meeting of the Fire Authority.

RESOLVED:

The Committee noted the update on 3SFire Ltd.

Councillors Chris Carter, Royston Smith and Roger Price returned to the meeting.

## **16 EXCLUSION OF PRESS AND PUBLIC**

RESOLVED:

The public were excluded from the meeting during the following item of business, as it was likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during that item there would have been disclosure to them of exempt information within Paragraph 3 of Part I Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons set out in the report.

## **17 EXEMPT MINUTES OF 29 JANUARY 2013**

The Committee considered a report of the Chief Officer in relation to the exempt Minutes from the previous meeting held on 29 January 2013 (Item 17 in the Minute Book).

The Minutes were confirmed as an accurate record of the exempt item and signed by the Chairman.