

At a meeting of the HAMPSHIRE FIRE AND RESCUE AUTHORITY FINANCE AND GENERAL PURPOSES COMMITTEE held at the Hampshire Fire and Rescue Service Headquarters, Eastleigh on 29 January, 2014.

**PRESENT:**

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

**35 APOLOGIES**

There were no apologies for the meeting.

**36 DISCLOSURE 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 their ability to disclose any other pecuniary or non-pecuniary interests in any such matter that they might have wished to disclose.

No interests were declared under this item.

**37 MINUTES AND MATTERS ARISING**

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

In relation to Minute 23 Recommendation (e), the Chairman updated Members that the two projects from the Service Improvement budget had been approved at the Authority meeting in December 2013, following receipt of business case information. The actions in relation to construction industry blacklisting (Minute 28) were continuing and would be completed by July 2014. It was also confirmed that Members had received follow up information requested at the last meeting in relation to the Vehicle Replacement Programme report (Minute 34), from Hampshire Fire and Rescue Services (HFRS).

**38 CHAIRMAN'S ANNOUNCEMENTS**

There were no Chairman's Announcements.

**39 DEPUTATIONS**

There were no deputations received for the meeting.

**40 DRAFT BUDGET REPORT 2014/15**

The Committee considered a report from the Treasurer in relation to the proposed Hampshire Fire and Rescue Authority (HFRA) budget for 2014/15 (Item 6 in the Minute Book).

The Treasurer summarised key aspects of the budget including variations to the Authority's medium term financial position since the information provided to the Committee at the last meeting. For 2014/15, this included a projected budget surplus of £2.5 million.

In view of the surplus, a proposed council tax freeze for 2014/15 was considered appropriate but the Authority's position in future years would need to be kept under review due to continuing budget cuts.

It was confirmed that the Government had indicated that the freeze grant funding would be built into baseline funding from 2015/16. It was noted however, that future grant reductions were expected from the Government in the next Spending Review.

The Authority's Treasury Management Strategy was highlighted, noting in particular new legislation making it less likely that governments would support failing banks. It was advisable that the HFRA diversified its investment portfolio to minimise risks.

RESOLVED:

- a) The Committee noted and agreed the revised budget position for 2014/15
- b) That it be a RECOMMENDATION to the Authority to accept the council tax freeze grant for 2014/15
- c) That it be a RECOMMENDATION to the Authority to accept the Treasury Management Strategy

#### **41 BUDGET MONITORING: THIRD QUARTER 2013/14**

The Committee considered a report from the Treasurer regarding the Authority's budget monitoring position at the end of quarter three for 2013/14 (Item 7 in the Minute Book).

The Treasurer highlighted the financial position to the end of December 2013. Based on the third quarter, there would be a projected underspend of £3.7 million in the revenue budget for the year. It was noted that £2 million of this was allocated to the service improvement projects. The overall budget for the year included a £6 million surplus in total. Members noted the financial position for the end of the reporting period.

RESOLVED:

- a) The Committee noted the latest financial position for 2013/14.
- b) The Committee approved the virements over £100,000 as set out in paragraph 6 of the report
- c) That it be a RECOMMENDATION to the Authority to approve the changes to the capital programme and its financing as set out in paragraph 7 of the report.

## **42 JOINT WORKING IN HAMPSHIRE**

The Committee considered a report from the Chief Officer providing an update on the Joint Working in Hampshire programme (Item 8 in the Minute Book).

The Director updated Members on the latest programme developments. It was noted that the new partnership would be called 'H3' following feedback from staff across the partner organisations. Staff from the HFRS HR Workforce Planning and Support teams had re-located from Headquarters since September, to join County Council and Hampshire Constabulary teams in Winchester.

The legal agreement for the partnership was to be signed imminently whereby HFRS staff due to join H3 would transfer on 1 February 2014, under Transfer of Undertakings (Protection of Employment) regulations.

HFRS integration with the IBC would 'go live' in August 2014. It was noted that the partnership's functional managers would report to the Head of Corporate Resources, at the County Council. Members noted the good progress that had been made with the programme.

RESOLVED:

- a) The Committee noted the progress to date of the Joint Working in Hampshire programme.

## **43 3SFIRE LTD UPDATE**

The Committee considered a report from the Chief Officer in relation to progress of the Authority's subsidiary company, 3SFire Ltd. (Item 9 in the Minute Book).

The Director provided an update on the company for Members. Key areas for development were highlighted as detailed within the report. Members noted that the company was still supporting the work to bid for the Defence Fire Risk Management Organisation tender but this had not yet been released by the Ministry of Defence.

Deferment of the contract meant that the company was looking for other areas in which to develop. The work of 3SFire was being promoted and included a new website which would continue to be developed. The Director reminded the Committee of the company's AGM taking place in June 2014 where Members would have the opportunity to further scrutinise activities and receive information about the company's future plans.

RESOLVED:

- a) The Committee noted the update on 3SFire Ltd.

## **44 PROPERTY RELATED MATTERS**

The Committee considered a report from the Chief Officer in relation to asset related matters involving action taken, and where approval was sought for more significant actions, in accordance with the Authority's Scheme of Delegation (Item 10 in the Minute Book).

The Head of Facilities provided an update on matters which had been dealt with by the Service and proposed actions requiring Committee approval. Members noted the granting of additional licenses to the South Central Ambulance Service (SCAS) for the use of Redbridge Hill Fire Station as a Serviced Standby Point, and the renewed lease of a room at New Milton fire station.

The termination of a licence granting access across land at Fordingbridge Fire Station was noted. Plans not to permit another owner or occupier the right to cross the fire station car park were discussed. It was agreed that HFRS would consider the possibility of granting a new licence but only if it was in the best interests of the Authority.

The proposed disposal of land between Carpenters Down and Shetland Road in Basingstoke was highlighted. Members noted that the land had been being subject to problems during 2013, including occupation by travelling communities, creating tensions in the area. It was confirmed that the Service had not incurred costs during this occupation. Members discussed the appropriate level of Service consultation with the Authority when offers for the land were considered. It was agreed that the Chief Officer would consult with the Chairman.

#### RESOLVED:

- a) The Committee noted the actions taken under delegated powers (see paragraphs 4 to 6)
- b) That subject to consultation with the Authority Chairman, the Chief Officer would be given delegated authority to accept the most economically advantageous offer for the disposal of the land between Carpenters Down and Shetland Road, Basingstoke, subject to the details of the accepted offer being reported to the Finance and General Purposes Committee in due course.

## **45 PROPOSED FUTURE INSURANCE ARRANGEMENTS**

The Committee considered a report from the Chief Officer in relation to proposed participation of the HFRA in a Fire and Rescue Authorities' Hybrid Discretionary Mutual (Item 11 in the Minute Book).

The Performance Review Manager summarised the current insurance arrangements for the HFRA within the Consortium with 8 other fire authorities. It was noted that present arrangements were potentially problematic because there was a limited and diminishing number of insurers willing to underwrite 'blue light' services, making premiums higher and unpredictable.

Members enquired about predicted savings under the proposed Mutual. These were forecast at approximately £42,000 per year, depending on incidents and risks within the Pool of nine authorities. Members discussed the potential implications of large, high cost incidents within the Pool. It was explained that under the pooling arrangement and with the intended limits on liability before other insurance was invoked, the shared risks were not expected to exceed more than £20,000 per year for HFRA. Savings would be expected in most years under the proposed arrangements.

Other authorities within the Mutual were discussed in terms of ability to manage risk. It was confirmed that all existing authorities, and any new entrants were audited before entering the partnership and that good controls and standards were in place across the authorities. It was intended that the Mutual would establish a consistency of best practice.

Members were supportive of the proposed pooling plans for the Authority in conjunction with the other authorities in the partnership.

RESOLVED:

- a) That it be a RECOMMENDATION to the Authority to establish a Fire and Rescue Authorities' Hybrid Discretionary Mutual to pool insurance and become a full member of it, subject to the appropriate governance arrangements being in place.
- b) That it be a RECOMMENDATION to the Authority that the Director of Corporate Services and Treasurer are authorised to take all necessary steps to achieve this.
- c) That it be a RECOMMENDATION to the Authority that it agrees to use the pooling arrangement for its corporate property, liability, motor and other miscellaneous insurance requirements for a minimum period of three years with effect from 1 November 2014 or thereafter, subject to final arrangements being in place (paragraph 4.5.1 refers).
- d) That it be a RECOMMENDATION to the Authority to participate in a financial guarantee for supplementary premiums should claims against the pool exceed the funding available (paragraph 4.9.1 refers)
- e) That it be a RECOMMENDATION to the Authority to agree that officers may serve as Directors of the pooling entity and be empowered to represent the Authority's interests at any formal meetings and to vote on its behalf (paragraph 4.3 refers).

#### **46 REVIEW OF CONTRACT STANDING ORDERS**

The Committee considered a report from the Chief Officer in relation to changes made to the Authority's Contract Standing Orders (Item 12 in the Minute Book).

The Head of Facilities outlined changes made to the Authority's Contract Standing Orders (CSOs) since 2008 which had kept them up to date with legislation. The changes were noted as not being significant and it was noted that financial thresholds had remained unchanged, in line with EU procurement regulations.

The issues of blacklisting and ethical procurement policy were raised and it was proposed that these should be reflected in the Authority's CSOs. An amendment to the recommendation, to defer approval of the revised CSOs pending completion of action to seek assurance from suppliers that blacklisting was not practiced was also proposed. It was confirmed that this action was underway and would be completed in early summer.

The proposed amendments were not seconded or supported. The Chairman proposed therefore, that the recommendations in the report be agreed and this was supported by the majority of Members.

RESOLVED:

- a) That it be a RECOMMENDATION to the Authority that the revised Contract Standing Orders set out as Appendix 1 to this report be approved
- b) That it be a RECOMMENDATION to the Authority that confirmation is given that the Chief Officer and the Clerk and Monitoring Officer have the delegated authority to issue and update the Procurement Practice Notes from time to time
- c) That it be a RECOMMENDATION to the Authority that confirmation is given that the Head of Finance and Head of Facilities have the delegated authority to amend the Financial Procurement Guidance Notes for managers (Service Order 2/2) from time to time.

#### **47 CARBON MANAGEMENT PROGRAMME**

The Committee considered a report from the Chief Officer in relation to the Authority's Carbon Management Programme (Item 13 in the Minute Book).

The Head of Facilities summarised developments and proposals for the Authority to invest in the installation of solar photovoltaic panels (PV) on a number of specific sites. Consideration of solar panel installations previously had been deferred pending viability of the business case. The Service had since re-commissioned the County Council's Property Services to produce an outline business case following a reduction in capital costs.

Members discussed the proposals and business case including identified savings. It was noted that the higher rate feed in Tariff (FIT) was limited to a maximum of 25 sites after which it reduced considerably. Variable energy profiles of the buildings were explained. Members enquired about risks associated with the FIT and costs being subject to change. It was clarified that this would have no material effect on investment.

It was noted that the County Council's PV installations were being used successfully across the local authority's built estate, and that there would be a mixture of whole-time and retained fire stations included within the programme. Members were supportive of the proposed investment to reduce carbon emissions and produce financial savings.

RESOLVED:

- a) The Committee noted the progress to date in delivering the energy efficiency projects identified in the Carbon Management Programme
- b) That it a RECOMMENDATION to the Authority to commit £1,071,047 from the Improvement and Sustainability Reserve for investment in renewable energy sources.

#### **48 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 outweighed the public interest in disclosing the information, for the reasons set out in the report.

#### **49 CARBON MANAGEMENT PROGRAMME – EXEMPT APPENDIX**

The Committee considered an exempt Appendix from the Chief Officer (Item 15 in the Minute Book) in relation to the Authority's Carbon Management Programme (pursuant to Item 13 in the Minute Book).

Summary figures and savings of the business model were highlighted as well as the breakdown of investment costs. Examples of HFRS stations where PV was currently in use were also provided which detailed the efficiency savings being produced.