

**MERSEYSIDE FIRE AND RESCUE AUTHORITY**

**POLICY AND RESOURCES COMMITTEE**

**27 JULY 2017**

**MINUTES**

**Present:** Cllr Leslie T. Byrom CBE (Chair) Councillors Lesley Rennie, James Roberts, Sharon Sullivan, Edna Finneran and Sharon Connor

**Also Present:**

**Apologies of absence were received from:**  
Joe De'Asha and Barbara Murray

**11. CHAIR'S ANNOUNCEMENTS**

Information regarding general housekeeping was then provided by the Chair to all in attendance.

The Chair confirmed to all present that the proceedings of the meeting would be filmed and requested that any members of the public present who objected to being filmed, make themselves known.

No members of the public voiced any objection therefore the meeting was declared open and recording commenced.

**1. PRELIMINARY MATTERS**

Members considered the identification of declarations of interest, any urgent additional items, and any business that may require the exclusion of the press and public.

Resolved that:

- a) no declarations of interest were made by individual Members in relation to any item of business on the Agenda
- b) no additional items of business to be considered as matters of urgency were determined by the Chair; and
- c) no items of business required the exclusion of the press and public during consideration thereof because of the possibility of the disclosure of exempt information.

## **2. MINUTES OF THE PREVIOUS MEETING**

The Minutes of the previous meeting of the Policy and Resources Committee, held on 23<sup>rd</sup> March 2017, were approved as a correct record and signed accordingly by the Chair.

## **3. Grant Thornton - Audit Findings 2016/17**

The Annual Audit Findings Report for 2016/17 was presented to the Committee by Mike Thomas - representing the Authority's External Auditors, Grant Thornton.

Members were informed that the Annual Audit Findings set out the work undertaken by the External Auditors for 2016/17. The External Auditors are required to provide an opinion on the Authority's financial statements, the Annual Governance Statement; and value for money conclusion; and respond to any objections from members of the public in relation to the accounts.

Members were informed that two such objections were received which Grant Thornton are currently in the process of responding to.

Members were advised that the report is positive with only minor amendments to the financial statement, with regards to the presentation of information. One issue was regarding the Authority's Payroll system and the incorrect calculation of National Insurance Contributions. This issue has been highlighted to the system providers to resolve this issue.

With regards to value for money, Members were informed that the Authority's historical performance in relation to meeting the significant financial challenges, has been robust; and therefore the auditors are confident that the Authority will continue to meet future challenges in this regard.

It was confirmed to Members that the audit fees for 2016/17 were £32,424; and that they would be remaining at this amount for 2017/18.

The Chair of the Committee expressed his thanks to Grant Thornton and the Finance Team, on behalf of the Authority, for their work undertaken.

Grant Thornton also requested that their thanks be recorded to the Finance Team for all their work and assistance, particularly with meeting the earlier deadlines.

## **4. TREASURY MANAGEMENT ANNUAL REPORT 2016/17**

Members considered Report CFO/044/17 of the Treasurer, concerning the activities of the Treasury Management operation and actual performance against the agreed Prudential Indicators in 2016/17. This report meets the requirements of the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authority's, which the

Authority is required to comply with through Regulations issued under the Local Government Act 2003.

Members were provided with an overview of the report, informing Members of the Authority's treasury management activity for 2016/17.

Questions were raised regarding the prudence of the current strategy of only investing in "A" rated or higher funds, or whether it would be appropriate to invest in BBB rated funds as some other local authorities have. Members were advised that if they were minded to reduce the rating for investments, then this option could be offered to Members in the 2018/19 Budget Report, however it must be noted that this would present a greater financial risk to the Authority.

Further questions were raised regarding the level of return on investments and possible opportunities for re-financing loans.

In relation to the level of return on investments, Members were advised that a good level of return is one of the benefits of working with Liverpool City Council.

With regards to opportunities for re-financing loans, Members were informed that this is something which would be considered and kept under review, however currently the penalties associated with re-financing do not make this a viable option.

The Chair of the Committee thanked the Treasurer and the Finance Team for their work, on behalf of the Authority.

Members Resolved that:

The Treasury Management Annual Report 2016/17 (attached as Appendix A), be noted.

**5. THE ANNUAL GOVERNANCE STATEMENT 2016/2017**

Members considered Report CFO/045/17 of the Treasurer, concerning the Authority's Annual Governance Statement, which fulfils the Authority's statutory requirement to prepare a statement of internal control in accordance with proper practices; and presents an annual review of the effectiveness of the current system.

Members were provided with an overview of the report, which highlights the processes and procedures in place to enable the Authority to carry out its functions effectively; and provides assurance about the Authority's governance framework. It also outlines the Authority's internal systems of control and significant governance issues, including the delivery of savings and potential future governance changes as a result of the introduction of new legislation.

Members were informed that the Authority's External Auditor – Grant Thornton, have requested that a questionnaire be completed in relation to several risks, which has been completed by the Strategic Management Group and the

previous Chair of the Audit & Scrutiny Sub-Committee. A copy of the completed questionnaire is attached to the report at Appendix B.

Comments were made by Members regarding the Authority's ongoing collaboration work; and potential future governance arrangements, with reference made to the working party established to consider reform of the Authority.

Members Resolved that:

The 2016/2017 Annual Governance Statement, be approved.

**6. REVENUE & CAPITAL OUTTURN 2016/17**

Members considered Report CFO/049/17 of the Treasurer, concerning the Authority's year-end financial position for 2016/17.

Members were provided with an overview of the report, which highlights delivered savings of £2.349m and proposals for utilising those savings; and variances in the revenue budget.

Members were also advised of the various earmarked reserves; and £7.9m of capital budget which will be re-phased from 2016/17 into 2017/18.

The Chair of the Committee commented on the favourable position, but made reference to the potential for additional, un-funded, firefighter pay awards, which would be difficult for the Authority to absorb without affecting frontline services.

Members Resolved that:

- a) The actual financial performance against the approved budget and the achievement of a net revenue saving in 2016/17 of £2.349m, be noted.
- b) the proposal to utilise the £2.349m saving to;
  - i. fund the creation of £0.480m year-end earmarked reserves in order to finance approved 2016/17 spend that has been re-phased into 2017/18, be approved: and
  - ii. fund an increase of £1.869m in the Capital Investment Reserve in order to increase the reserve contribution towards the planned refurbishment of the TDA, be approved.

**7. STATEMENT OF ACCOUNTS 2016/17 - AUTHORISATION FOR ISSUE**

Members considered Report CFO/048/17 of the Treasurer, concerning the audited 2016/17 Statement of Accounts for approval and authorisation for issue.

Members were provided with an overview of the report, which highlighted the principle financial statements which have been prepared in line with the relevant Codes and Regulations; and notional movements in terms of expenditure, reserves and assets and liabilities.

Members were advised that the Authority's External Auditors – Grant Thornton, would be issuing an unqualified statement; and would be requesting that the Chair of the Committee sign the Letter of Representation in relation to the 2016/17 Accounts, should the report be approved.

Members Resolved that:

- a) The audited Statement of Accounts 2016/17, attached as Appendix A to this report, be approved: and
- b) The Statement of Accounts 2016/17, be authorised for issue: and
- c) The letter of representation in relation to the 2016/17 accounts, attached as Appendix B, be approved.

**8. CORPORATE RISK REGISTER DEC-MAR 17**

Members considered Report CFO/050/17 of the Deputy Chief Fire Officer, concerning the current risks contained within the Corporate Risk Register, the status of the risks and associated control measures – including reference to any new risks introduced or any risks that no longer apply and can be removed.

Members were advised that it is a backwards looking report and therefore new emerging risks around employee pay offers and associated increase in the financial challenge; and risks highlighted following the Grenfell Tower incident, will be captured within the next iteration of the document.

With regards to risks highlighted as a result of the Grenfell Tower incident, Members were provided with information concerning high rise premises within Merseyside; and the action being taken by MFRA to mitigate risk.

Members Resolved that:

The updated Corporate Risk Register for the period December 2016 to March 2017, be approved.

**9. REVIEW OF SAFEGUARDING POLICY & PROCEDURES**

Members considered Report CFO/051/17 of the Deputy Chief Fire Officer, concerning the refresh of the Merseyside Fire and Rescue Authority (MFRA) Safeguarding policy and associated procedure(s).

Members were informed that a Task & Finish Group had been established to undertake a review of policies and service instructions around Safeguarding, which resulted in the production of one single service instruction and a revised policy, with the aim of providing greater clarity.

Members were reassured that where any immediate risks are identified, these will be reported immediately. Members were also advised that training and competency issues have also been considered; and are detailed in the appendices to the report.

Questions were raised by Members in relation to raising awareness of potential radicalisation. Members were advised that this issue has been addressed and training provided separately, under the “Prevent” agenda.

**Members Resolved that:**

- a) The consolidation of Service Instruction (SI) 0712, 0713 and 0714 into a new single Service Instruction, be approved.
- b) The draft revision of PROPOL09 Safeguarding Policy, be approved; and
- c) The implementation of a Workforce Development Strategy for Safeguarding, be approved.

**10. REPRESENTATION OF THE POLICE AND CRIME COMMISSIONER FOR MERSEYSIDE ON MERSEYSIDE FIRE AND RESCUE AUTHORITY**

Members considered Report CFO/052/17 of the Monitoring Officer, concerning the appointment of the Police and Crime Commissioner for Merseyside to Merseyside Fire and Rescue Authority.

Members were informed that the Policing & Crime Act enables and supports greater collaboration between Fire and Rescue Authorities and Police and Crime Commissioners, either through adopting a “Governance or Single Employer Model”, which is essentially the PCC taking over responsibility for Fire and Rescue Services, or through a “Representation Model”, in which the PCC can be appointed as a voting Member to a Fire and Rescue Authority.

Members were advised that the Chair of the Authority has therefore wrote to the PCC for Merseyside, to ask if they would like to sit on the Authority, with the response received being that they would like to do so.

At present, the PCC is appointed to the Authority’s Joint Fire & Police Collaboration Committee as a Co-Opted Member. However, this Committee does not have any decision making powers and therefore the PCC does not have any voting rights on the Authority. Members were therefore advised that the recommendations within the report, will further improve collaboration and the

relationship between the two organisations, for the benefit of the communities of Merseyside.

Questions were raised by Members regarding clarification of voting rights for the PCC and potential conflicts of interests. With regards to the voting rights of the PCC, Members were advised that the PCC will have the same voting rights and be subject to the same rules and regulations as other Elected Members, including access to the Members Allowance Scheme. However, they were informed that the PCC has indicated that they do not wish to receive an allowance for the role.

With regards to potential conflicts of interest, Members were advised that there may well be conflicts, however it is proposed that the Monitoring Officer meet with the PCC to highlight such issues and provide appropriate advice.

Further comments were made by Members in relation to the proactive approach taken by the Authority, with reference made to the potential reform of the Authority and possible future governance changes. Members also commented that the Authority's primary aim is to continue to deliver a first class service to the communities of Merseyside.

Members Resolved that:

- a)The appointment of the Police and Crime Commissioner for Merseyside (The PCC) to Merseyside Fire and Rescue Authority (MFRA), be approved; and
- b)The Monitoring Officer be instructed to amend the Constitution and make all other legal and practical arrangements to ensure that the appointment takes place without delay.

Close

Date of next meeting Thursday, 14 December 2017

Signed: \_\_\_\_\_

Date: \_\_\_\_\_