

**MERSEYSIDE FIRE AND RESCUE AUTHORITY**

**POLICY AND RESOURCES COMMITTEE**

**10 DECEMBER 2020**

**MINUTES**

**Present:** Cllr James Roberts (Chair) Councillors Steff O'Keeffe, Barrington, Angela Coleman, Lisa Preston, Lesley Rennie, Jean Stapleton, Andrew Makinson and Les Byrom

**Also Present:**

**Apologies of absence were received from:**

**12. CHAIR'S ANNOUNCEMENT**

At the start of the meeting, the Chair of the Committee thanked everyone for attending and welcomed any members of the press or public who were observing the proceedings.

The Chair then introduced the meeting and provided all present with an overview of how this remote meeting would work and some housekeeping.

The Chair confirmed that all Members of the Committee were in attendance, and that they could all hear and be heard; and could see and be seen.

**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) The following items of business required the exclusion of the press and public during consideration thereof because of the possibility of the disclosure of exempt information:
  - Appendix A to Agenda Item 10 – “Rewards and Recognition Programme

- Agenda Item 11 – “Provision of Equipment for National Resilience Mass Decontamination Capability”

## **2. Minutes of the Previous Meeting**

The Minutes of the previous meeting of the Policy and Resources Committee, held on 30<sup>th</sup> July 2020, were approved as a correct record and for signature by the Chair.

## **3. STATEMENT OF ASSURANCE 2019-20**

Members considered Report CFO/059/20 of the Chief Fire Officer, concerning the publication of the Authority’s Statement of Assurance 2019-20.

Members were advised that the purpose of the Statement of Assurance document, is to provide the public with assurances around the provision of our firefighting capabilities across the previous year.

Members were informed that this Statement of Assurance covers the period April 2019 to March 2020.

They were also advised that the Statement of Assurance is a direct reflection of the requirements contained within the Fire & Rescue Service National Framework, as published in 2012; and revised in 2018, which explicitly states that Fire & Rescue Authorities must provide an annual assurance to their communities and Government, on financial, governance and operational matters.

The Statement of Assurance for 2019-20, attached at Appendix A to the report, was highlighted to Members.

Members Resolved that:

- a) The Authority’s draft Statement of Assurance 2019-20, be approved.
- b) The Statement of Assurance 2019-20, be approved for signature by the Chair of the Authority and the Chief Fire Officer.

## **4. FINANCIAL REVIEW 2020/21 - JULY TO SEPTEMBER**

Members considered Report CFO/058/20 of the Treasurer, concerning the financial position, revenue and capital, for the Authority for 2020/21. The Authority receives regular comprehensive financial reviews during the year which provide a full health check on the Authority’s finances.

Members were informed that this report covers the period July to September 2020 and covers the revenue & capital budgets, reserves, and treasury management updates.

Members were advised that the revenue position is covered in paragraphs 6 to 13 of the report. They were informed that paragraph 7 outlines the budget movements in the second quarter; and as all of the adjustments are self-balancing and have been budgeted for, they have not impacted on the approved net budget requirement, which remains at £61.961m.

They were advised that paragraph 9 reviews the robustness of the approved **key budget assumptions** and in particular;

- The **McCloud remedy** assumption that the cost to the employer of allowing Firefighter Pension Scheme members access to their legacy schemes would be considered as part of the 2020 FPS actuarial review and reflected in Employer rates from 2023/24.
- The financial impact of **COVID-19** on the Authority can be contained within the Government funding received by the Authority.

Members were informed that the current position is that these assumptions remain robust and all costs can be contained within the approved budget.

Paragraphs 10 to 12 were then highlighted to Members, which summarise the latest forecast revenue position. They were informed that after reviewing income and expenditure, officers have identified the following favourable variances;

- £125k savings from the firefighter employee budget, as a result of retirement numbers being slightly ahead of the expected forecast.
- £225k savings from the non-firefighter employee budget, as a result of staff vacancies arising from staff turnover in the year and staff not being at the top of their substantive grade.
- £157K savings from the LGPS pension budget as a result of a refund due to the MFRS account being in surplus at the last actuarial review.
- £100k savings from the other employee costs budget as staff training and subsistence expenditure has reduced as conferences, courses and other training was postponed or held on-line due to COVID19 restrictions.
- Overachievement of approved support savings and other technical adjustments have resulted in additional permanent savings of £515k with a further one-off savings of £45k.

- A forecast favourable variance of £3.069m on the revenue costs associated with servicing capital expenditure funded via borrowing, which is possible due to:
  - The deferral of new borrowing by utilising internal cash (*mainly monies held in reserves and unapplied grants*) resulting in a saving on expected debt interest payments, and
  - The Authority making significant additional voluntary MRP payments in recent years, and making only the minimum statutory MRP payment this year, to free up some of the MRP provision.
  - Together this will deliver a £3.069m favourable variance against the £6.3m budget.
- The Authority has received £104k of additional specific grant to cover compensation for the Government's small business rate relief.
- A saving of £100k has been identified from the contingency provision for price increases as some inflationary pressures have been contained within the base budget.

Members were advised that overall, as outlined in the table on page 51, a favourable variance of £4.440m has been identified.

Members attention was drawn to paragraph 12 of the report, which explains that at the Authority meeting on 15 October 2020, Members supported the proposal of the Chief Fire Officer, to look at building a new Training and Development Academy, at a cost of up to £25m, subject to a further report confirming costs and funding. They were informed that in the last financial review report, Members approved that any future additional savings in 2020/21, be used to increase the capital investment reserve in order to contribute towards the cost of a new TDA development. Members were therefore advised that they are asked to approve the use of the £4.440m favourable variance to increase the capital / TDA reserve.

With regards to the Capital position, Members attention was drawn to paragraph 15, which outlines a small increase of £14k in the capital programme due to an increase in ICT hardware expenditure.

The Reserves position, as outlined in paragraph 17, was then highlighted, which states that in quarter 2, a net contribution of £0.112m was made to reserves due to;

- a requirement to reimburse the energy saving reserve from energy saving that have materialised following investment in energy efficiency schemes funded from this reserve, and
- a contribution to the PFI annuity reserves to ensure sufficient funding exists in the reserve to smooth out the revenue budget contribution to the unitary charge over the life of the PFI initiative.

Members were informed that following a review of the current reserves, the report proposes to re-align some reserves to increase the capital / TDA reserve in light of the proposal for a new TDA. They were advised that the report identifies that £0.5m from the recruitment reserve and £0.2m from the inflation reserve can be transferred into the capital reserve.

Members attention was then drawn to the Treasury Management performance, outlined in paragraphs 18 to 23.

Members were informed of the following:

- The performance of Treasury management was consistent with the approved treasury management strategy for 2020/21.
- At the end of September 2020 the Authority held £48.2m of investments, a breakdown of which is contained in the table after paragraph 21. All investments are consistent with the approved investment strategy and within the limits outlined in paragraph 21.
- No new loans have been taken out.

Members made reference to the ongoing discussions with the Home Office around the use of capital and reserves. It was stated that it has been pointed out numerous times, that unlike other local authorities and the Police who receive a capital grant, MFRA do not. Therefore, the only way to fund the replacement of fire appliances and the build of new stations etc..., is by saving revenue. Members stated that they will continue to make this point when advised to utilise reserves and capital to fund the likes of pay increases.

Clarification was sought by Members around the debt repayment strategy and capital financing; and any long-term impact.

Members were advised that we have a statutory requirement to make provision for a minimum repayment of debt, which will not be impacted, therefore we will not be going against any regulations or directions.

They were informed that a few years ago, the decision was made to utilise any savings identified in those years, to make additional provision for future debt repayment. This enabled us to free up over a fixed period of time, some of the £6.3m budget for servicing debt, which will be used in the medium term to cover future capital investments. Members were assured that this was a planned strategy, therefore there is no risk of creating a problem for the future.

Members were provided with a specific example around ICT, to highlight this strategy. They were advised that the asset life of ICT is 5 years, with the Authority investing in ICT every year. Therefore, each year investment is made in ICT, there is a requirement to create an MRP, to re-pay that ICT over the next 5 years. Members were informed that some savings from the previous year, were utilised to pay for the full ICT investment in one year, which has meant that the MRP to pay off the investment over the next 5 years, is not required.

However, it was highlighted that this will be required again in year 6, when the ICT requires replacement, creating a window of opportunity to utilise the MRP reduction for other means.

Members were advised that previously, this had been used to pay additional MRP, as the strategy was to either deliver a short-term resource to meet a financial challenge, or to fund investment in infrastructure. They were informed that as the TDA development proposals are investment in infrastructure, it is now proposed to build up the reserves, to fund a significant proportion of the proposed build from specific resources, rather than having to borrow the full amount, which would be a significant commitment. They were advised that this strategy makes the TDA development more affordable and sustainable as a proposal, when brought back to Members for consideration.

Members made reference to the capital expenditure included around a security update for Windows 7; and queried why the Authority are continuing to pay for a system that is obsolete and no longer supported. They also queried if there are any critical systems in place which still use Windows 7.

Members attention was drawn to the Microsoft EA Agreement, reference within the report. They were advised that under this agreement, MFRA are entitled to utilise the latest Microsoft software available; and it was confirmed that we are currently in the process of finalising the move over to Windows 10.

Members were informed that the £12k referenced within the report, is only included for 2021 and is required as there were a few applications that until upgraded, would not work on Windows 10. Therefore, the £12k provision, is required for delays in transitioning to Windows 10, when the application is delaying that process.

Members were assured that this has now been resolved and therefore the risk no longer exists.

Questions were raised by Members around the investment strategy, with some concern raised around the level of investment in other local authorities, which exceeds the amount of investment in AAA rated companies, given the precarious financial position of some local authorities. Members therefore, sought some assurance regarding the security of the Authority's investments.

Officers stated that they fully understand Members concerns, given the recent high profile examples of local authorities getting into financial difficulties. However, they were assured that it is highly unlikely that a local authority would ever become bankrupt, as the Government would send in commissioners to identify revenue savings to bring the budget back on balance, which would not put at risk the repayment of this debt, which would always be fully paid.

Members were also assured that the Authority's strategy places security as the highest criteria, ahead of liquidity and yield.

A further question was raised around the McCloud judgement and utilisation of the Smoothing Reserve; and if there was a more exact figure, or overall

estimate using actuarial tables, for the entire length of the impact of the McCloud judgement.

Members were informed that with regards to the McCloud judgement, there is the issue to consider around the implications of individuals reverting back into their legacy scheme, particularly the 1992 FPS, in which the employer contributions rates are significantly higher. Therefore, the Authority would be required to make a significant increase in contributions into the pension scheme account, potentially back to 2015.

However, Members were informed that in this regard, there had been a clear indication from Home Office, that the assessed liability would be built into the new rates from 2023/24. They were advised that when budget planning from 2021/22 and beyond, there would be a requirement to factor in a provision of around £1m from 2023/24, on the basis of a 3% increase in employer rates, to cover that liability. However, Members were advised that this was still an estimate at present.

Members were also informed that the £2m smoothing reserve was to cover two things. They were advised that at one point, there was concern that the Home Office had issued informal guidance, stating that anyone approaching retirement, could have immediate access to their legacy scheme, also that it was indicated that the employer would have to make good the contributions.

Members were advised that that position has now changed in terms of employer contributions, with the Home Office indicating that it will be factored into the actuarial review.

They were advised that in terms of acting on the informal guidance, the Authority had signed up with the LGA and other FRA's, to seek clarification, as the document lacks a lot of detail required, should the Authority offer firefighters early access to legacy schemes.

It was confirmed to Members that it is unlikely that the smoothing reserve would be required, to make good outstanding or arrears employer contributions, however the issue around compensation payments, that individuals will be entitled to, is still unclear. Members were informed that the Home Office have advised that compensation payments cannot be charged to the pension accounts; and Authorities must make good and fund those payments. However, at this point, Members were advised that there has been no indication of what a generic compensation payment would be, for any individual claims for financial loss.

Members were advised that it was felt that £2m would be sufficient to meet any compensation payments identified, however officers would be surprised if any are identified and ratified before the end of this year.

Members were also informed that the Government are still considering the outcome of the consultation on the draft McCloud remedy; and it is unlikely that there will be any further information around this until the new year at the earliest. They were advised that primary legislation may also be required in order to implement any final remedy, in which case it may be 2022/23 before the

Authority is in a position where it knows what the final remedy is and what the proposal is for compensating individuals.

Members were assured that although officers are not in a position to provide an exact figure around the McCloud judgement impact, it is hoped that the £2m Smoothing Reserve, should be sufficient to cover any compensation payments.

In terms of the Local Government Pension Scheme, Members were informed that the employer was given to options in the 2019 actuarial review, to either pay employer rates without McCloud built in, or to pay the employer rate with an assumed implication of McCloud. Members were informed that the Authority chose the latter, therefore the employer rate for the LGPS from 2020/21, includes an element for McCloud. They were also informed that approximately one third of staff are in the LGPS, for which there is not expected to be in further increase in employer rates.

Members Resolved that:

- a) The contents of the report be noted;
- b) The revenue, capital and reserve adjustments outlined in the report, be approved.
- c) The increase in the capital / TDA reserve of £4.440m funded from the favourable variance outlined in the report, be approved.
- d) The Treasurer be instructed to continue to work with managers to maximise savings in 2020/21.

**5. TREASURY MANAGEMENT INTERIM REPORT 2020/21**

Members considered Report CFO/065/20 of the Treasurer, concerning the requirements of the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities.

Members were informed that the Treasury Management and Prudential Codes, require the Authority to prepare an interim Treasury Management report on its activities during the year, to ensure they are consistent with its approved Treasury Management Strategy and have remained within the approved Prudential Indicators.

They were advised that this report meets that requirement and outlines the treasury management activities and performance for the first half of the financial year.

Members were advised that the interim report can be found on page 79. Their attention was drawn to page 80, which contains an executive summary on the key points of performance so far, which were outlined as follows:



- No New Borrowings have been arranged in the year so far, or are expected to be arranged before the year end.
- Debt of £0.45m is due to be repaid this year
- The Authority had Investments of £48.2m.
- The Bank of England base rate remained at 0.10% throughout the year.
- Longer term PWLB rates have risen slightly during the first half of the year by 0.6% from 2.54% to 2.60%, and
- Treasury Management activity has been carried out in compliance with the relevant codes and statutes and within the borrowing and treasury management limits approved by the Authority as part of the budget setting process in February 2020.

Members Resolved that:

The content of the report, be noted.

## **6. CORPORATE RISK REGISTER 2020-21 APRIL-SEPT UPDATE**

Members considered Report CFO/060/20 of the Chief Fire Officer concerning the current risks contained within the Corporate Risk Register, the status of the risks and associated control measures, including any updates for the period April to September 2020.

Members were provided with an overview of the report. It was highlighted to Members that the Authority had previously considered the outcomes of an internal audit report from April 2017, which considered the Authority's approach to risk management. They were advised that the outcome of that review was that overall, compliance was found to be good, and indeed substantial across some areas.

Members were informed that a couple of particular actions have been completed over the reporting period, two of which are contained within 4.11 – "Environment and Political", around concerns raised in relation to the utilisation of diesel vehicles. They were advised that there was a requirement, as part of the Authority's fleet management, to consider a move away from diesel vehicles, towards electric vehicles, as and when the technology advances.

Members were also advised that self-evidently, there are a number of references now included within the Risk Register, related directly to the Covid-19 outbreak, which have been considered across a number of particular risks.

Members Resolved that:

The updated Corporate Risk Register for 2020/21 which incorporates the current status of those risks to September 2020, be approved.

## **7. SERVICE DELIVERY PLAN 2020-21 APRIL-SEPT UPDATE**

Members considered Report CFO/061/20 of the Chief Fire Officer, concerning performance against the objectives and the performance targets/outcomes as set out in the Service Delivery Plan 2019/20 for the period April to September 2020, the Integrated Risk Management Plan actions and the HMICFRS action plan.

Members were advised that the Service Delivery Plan forms the basis of the Authority's plan of accountability, moving forward; and includes actions contained within the functions of the Authority, as detailed within the report. They were advised that the Service Delivery Plan also includes the key and benchmark performance indicators and targets, approved previously by Members, with this report highlighting performance against those targets for the period April to September 2020.

Members attention was drawn to the Service Delivery Plan, attached as Appendix A to the report, which references the details of the functional planning objectives and how they are progressing. Members were advised that overall, good progress is being made, however there have been some implications in some areas around the Covid-19 pandemic. It was confirmed to Members that despite this, the Authority are still on track for completion of the objectives by the end of the year.

Performance against the benchmark performance indicators, was then highlighted to Members. They were advised that broadly, the Authority is in a good place in terms of performance, with most indicators being green. Members were informed that of particular note, is the number of fires attended by MFRA, which is down significantly on the previous period, as is the number of primary fires.

Members were informed that unfortunately, the number of deliberate fires in occupied dwellings has increased slightly above the target, which is something that the Authority is working to address.

Members were advised that the number of accidental dwelling fires and the number of ASB fires, are significantly down on the previous year; and as the previous year in both areas was the lowest the Authority has seen, the direction of travel in these areas, is particularly good.

It was highlighted to Members that the number of special service calls has increased over the period, however this is not surprising given the amount of work that the Authority is doing, particularly with NWS colleagues, in terms of supporting them over the pandemic.

With regards to performance around the number of false alarms attended, Members were informed that there was a spike around April/ May time. They were advised that analysis has drawn to the conclusion that this was due to a significant number of false alarm – good intent calls, due to controlled burning during the initial lockdown period, with people choosing to burn refuse. Members were informed that this was exasperated during the bonfire period, as people were unable to attend large organised events; and therefore chose to have events in their own gardens.

In terms of the attendance standard, Members were informed that it has been achieved on 95.4% of occasions, against a target of 90%.

Members were advised that a particular area of focus is around the percentage of shifts lost to sickness absence. It was highlighted that MFRA staff are now working through a pandemic where FRS staff are contributing more widely, rather than just in terms of its statutory responsibilities; and has assisted partner agencies in working through the pandemic process.

It was confirmed to Members that sickness absence is currently at 3.45% against a target of 4%; and if all Covid related absence was removed, it would be as low as 3.01%, a significant improvement of previous performance. It was highlighted to Members that this is testimony to the focus and dedication of our staff; and that sickness absence performance is therefore fantastic against a backdrop of a global pandemic.

In terms of the Authority's carbon output, Members were informed that this has improved significantly across all Authority buildings.

Members were advised that the IRMP is also covered in the report, with one of the key IRMP objectives, being around the completion of the new station build at St. Helens and move to a hybrid duty system at the new location.

Members were informed that that has now concluded and although the new station has not been officially opened, it is fully functioning, really effectively; and staff are thrilled with the new work environment created for them.

In terms of the IRMP, Members were informed that there are still some peripheral issues, which still require some more work, which have probably been held up by the impact of the pandemic. However, they were advised that significant progress is being made and the Authority are on track in most areas.

A further area highlighted to Members was the Action Plan against the HMICFRS Inspectorate findings. Members were informed that progress is being made against all areas, particularly around promoting the right values and culture. They were informed that a piece of work is taking place organisationally, to consider refreshing the organisational values, given they were put in place approximately 10 years ago. Members were advised that engagement sessions have taken place with staff, officers and diversity networks, to see if the values remain fit for purpose and reflect the aims and ambitions of the service. They were assured that should it be proposed to refresh the values to any great degree, a report will be brought back to Members for their consideration and approval.

Members requested a brief update around the Equality Networks and whether work was still ongoing.

Members were advised that there is now a LGBTQ+ Network, a Gender Network and a BAME Network; and that the Chairs of those networks are very proactive. They were informed that the Chairs of the Networks are now part of the E, D&I Board, which means that they are involved in the formulation of the

Authority's strategy, as opposed to just the implementation, which has been very well received.

Members were provided with a recent example of the involvement of the Network Chairs. They were informed that the Chair of the BAME Network, recently supported the Chief Fire Officer in the delivery of a national presentation around "Inclusive Leadership", particularly around how FRS's responded to the Covid pandemic from an inclusion perspective. Members were informed that this presentation with incredibly well received by colleagues nationally.

It was suggested that Members may wish to receive the presentation, albeit delivered by the BAME Network Chair, rather than the Chief Fire Officer, with the other Network Chairs also in attendance. It was suggested that this would provide Members with a great opportunity to engage with those Chairs and see how things are feeling and how inclusive the organisation is being in regards to their specific needs.

Members were assured that the Networks are going from strength to strength and that Officers are very proud of the progress that is being made.

A question was raised by Members around the feasibility of all new recruits being trained in Urban Search & Rescue.

Members were advised that although this was certainly an ambition, at this moment in time, it was not considered to be the most efficient or effective use of resources, or management of that cohort of individuals. They were advised that as new recruits are being distributed across the organisation into different duty systems, at stations with different specialities, rather than invest financially in their development and maintenance of skills, which may not be utilised, it is deemed to be a better use of resources for staff to obtain those skills as and when they become part of the USAR team.

Members were advised that over the course of the next IRMP, recommendations will be brought to Members around the distribution of specialist capabilities across the Service. They were informed that there are lots of specialisms across different areas of the Service; and Officers are particularly keen for those specialisms to be distributed across the whole of Merseyside, to complement the strategic needs and address foreseeable risk. It was highlighted to Members that by spreading those specialist capabilities across the whole of the organisation, MFRA will become more effective; and it will also ensure that firefighters in those specific locations, gain those specialist competencies required.

Members Resolved that:

The attached reports be approved for publication on the Authority's Website.

## **8. IRMP 2021/24 initial public consultation**

Members considered Report CFO/064/20 of the Chief Fire Officer, concerning the outcomes of a public engagement exercise which will inform the development of the 2021/24 Integrated Risk Management Plan (IRMP) (Appendix A) and the process to be applied in the development of the plan.

Members were informed that the Authority are currently in the early formative stages of the development of the IRMP; and that the Authority utilise an independent organisation to engage the public around what they feel is important to them in the development of plans moving forward. Members were informed that those views and insights, along with the views of the Authority, will be utilised to inform the Authority's plans and how they are constructed.

Members were informed that over the course of a number of deliberative forums, members of the public were asked for their views on a whole raft of areas, including the proposals contained within paragraph 6 of the report, in order to glean their views and opinions. Members were advised that the deliberate forums also sought to consider the strategy and approach adopted as an Authority, and how we have met foreseeable risk and addressed demands.

It was highlighted to Members that questions were asked around the logic applied in terms of risk, demand and vulnerability, those being factors which the public would want us to consider; and how we combine them, look at them and consider them in the deployment of our resources.

Members were advised that categorically, without exception, the public fully supported the logic applied.

Members were informed that the deliberative forums also looked at the planning principles, considering them in their totality, and that there were a couple of areas with interesting responses. Members were advised that when asked their views, the public recognised that on occasions, we may need to close stations, or merge stations, which interestingly, is counter to one of the planning principles. However, this view was only based on response times being maintained or improved, or the replacement of stations no longer fit for purpose or not providing the necessary facilities for our staff, particularly around our equalities agenda, as well as a firefighter safety perspective.

Members were advised that this was an important question to pose to the public, as there is the potential within the proposals, to merge two stations to create the new TDA and a "super station" at a particular location, equidistant between the two current stations, which we know can be done whilst actually improving performance.

Members were informed that the public were also asked their views around prevention, protection and firefighter safety. It was confirmed to Members that the public were well informed and firefighter safety was a key aspect of focus, which confirms the importance of ensuring that our staff have the right equipment and kit; and also the right facilities available to them to train against foreseeable risk. Members were advised that the views of the public also endorsed the necessity to re-invest in Protection activity, in light of the Grenfell Tower fire and subsequent recommendations from the Dame Judith Hackett report.

It was confirmed to Members that in totality, the proposals brought to the attention of the members of public who participated in the deliberative forums, were supported; and supported on the basis of actually maintaining the number of firefighters, or indeed actually increasing the number of fire appliances available.

Members were advised that it was made clear from the outset that none of the proposals would compromise the current arrangements available to the public of Merseyside. They were informed that the proposals were very well received by the participants; and where fully supported and endorsed by them.

It was highlighted to Members that further detail regarding the questions asked and responses provided, could be found within the full report, attached as an appendix. It was also confirmed that the report will be utilised to inform the IRMP plans, which will be brought back to the Authority for consideration in the new year.

Members Resolved that:

The content of the report, be noted.

## **9. Review of Area Manager Structure**

Members considered Report CFO/066/20 of the Chief Fire Officer, concerning proposed changes to the Area Manager structure as the first part of a senior management restructure.

The recommendations contained within the report, were highlighted to Members.

Members were advised that the Grenfell Tower incident was a significant game changer for all FRS's. It was highlighted that previously, MFRA had 3 Area Manager posts, with one covering both Prevention and Protection; and the view was that that individual was spread too thin, a view which was also supported by HMICFRS.

Members were informed that it was therefore decided to establish on a temporary basis, a fourth Area Manager post within Protection, which has been very effective.

They were also advised that work is currently underway around replacing the existing information management system for Protection, which will involve a significant amount of work; and was one of the recommendations from HMICFRS.

As such, it is recommended that the fourth Area Manager post is required on a permanent basis, which if approved, will result in an Area Manager post covering each key area.

It was confirmed to Members that the post will be funded through a restructure of the management team; and that a further report will be brought back to

Members, detailing some of the changes that are proposed on top of the arrangements currently in place.

Members expressed their support of the recommendations, particularly given the Authority's National role and in terms of resilience, as it was felt that the structure had been extremely lean in the past, and was still very lean when compared to other FRS's.

It was also requested that Members be provided with an up to date version of the Organisational Chart.

Members Resolved that:

- a) the establishment of the 4<sup>th</sup> Area Manager position (AM Protection), currently established on a temporary basis, into a permanent role as part of the Authorised 642 FTE Grey Book Establishment, be approved.
- b) the intention to review contractual arrangements for Area Managers to improve efficiency and effectiveness across the Authority, be noted.
- c) the Area Managers will cover the 4 statutory areas – Prevention, Protection, Response and Preparedness.

**10. Reward and Recognition Programme**

At the start of this item, the Chair of the meeting highlighted to Members that Appendix A to this report, contained EXEMPT information. Therefore, should any discussion be required around the content of that Appendix, Members were asked to inform the Chair and the question would need to be considered in closed session.

Members considered Report CFO/063/20 of the Chief Fire Officer, concerning a proposal to procure a "Total Reward" Reward and Recognition Programme that is expected to provide benefits to the authority in relation to staff engagement, embedding organisational values, supporting staff and recognising desired behaviours and good practice.

Members were informed that the proposed Reward and Recognition Programme would bring some significant, tangible benefits from an organisational point of view, in addition to rewarding individuals.

Members were advised that should the recommendations be approved, Officers will assess the expected benefits of the programme; and the outcomes will be reported back to Members via the Scrutiny Committee, prior to any extension to the programme.

It was highlighted to Members that the approach proposed, is somewhat different to that taken by other FRS's, who have provided staff with additional days leave, in recognition of their contribution during the pandemic, which is

very costly, and here in Merseyside, would likely cause additional issues. However, Members were informed that we would still want to recognise the significant contribution that our staff have made; and as such, there is an aspect of the Reward and Recognition Programme that is beneficial to staff.

Members were informed that staff would receive benefits such as discounts, in addition to employee assistance being embedded in the programme. They were informed that it also enables the Authority and Officers to create pulse surveys, so that rather than undertaking a Staff Survey every 2 years, during which time, a lot can change, surveys can be conducted at any time, providing almost instantaneous responses. This will enable the Authority to gain feedback from staff around circumstances affecting them, or their responses to plans, ideas and policies, which can then be utilised to inform the Authority's strategies and activities in the long term. Members were also advised that the programme can be used as a communication tool, to allow for instant messages to be issued to staff.

It was highlighted to Members that the programme is affordable, on the basis of the cost being offset against other work in the long-term around employee assistance and staff surveys. As such, it was likely that a sustainable model could be devised in the first instance, rather than it simply being a one-year provision. However, it was re-iterated to Members that the programme would be subject to scrutiny and review, prior to any extension being agreed.

Members were advised that the proposals will provide a real positive reflection of the contribution staff have made during the pandemic, whilst also providing a number of additional organisational benefits.

Discussion took place around the proposed programme, with some Members commenting that they would have preferred the option adopted by other FRS's of providing staff with an additional days leave, as from personal experience, they felt that some Reward and Recognition Schemes can feel a little patronising.

Members agreed that the work undertaken by staff during the pandemic has been spectacular, and deserves to be rewarded in a meaningful way. Some Members felt that providing staff with an additional days leave that they could spend with family, or however they wished, would be better than a Rewards and Recognition Scheme; and felt that ideally, we would provide staff with both.

Members were advised that officers did consider the provision of an extra days leave for staff, but felt that what tends to happen, is that it is received and then it is lost. Also, whilst staff are taking their extra leave, they need to be replaced by another individual. Therefore, although they get an additional days leave to spend with their families, another individual is required to work an additional day to cover for them.

Members were therefore informed, that what Officers sought to devise, is something that is organisational cost effective and deliverable.



Members were also informed that staff were consulted to seek their opinions on the proposed programme and whether they would welcome it, with a significant number confirming that they would.

They were also advised that other organisations have provided absolutely nothing to their staff, and what Officers have tried to do, is source a solution that ensures the organisation can continue to function, whilst at the same time rewarding staff.

It was confirmed to Members that what is proposed, is far more tangible and beneficial, with some of the benefits as a result of the programme, being very positive. They were advised that it is the first time MFRA have sought to introduce something like this; and it was confirmed that if after 12 months, staff don't feel it is worth continuing with it, that will be fed back to the Scrutiny Committee.

It was re-iterated that what this programme provides to staff, is a years' worth of benefits, rather than one day.

Members were advised that should they wish for Officers to go back and review the provision of a Rewards and Recognition Programme, in favour of extra days leave, then Officers would do so.

A further question was raised around the consultation with staff; and whether the feedback received could be considered by Members.

Members were advised that the consultation was very informal, with a range of staff being informed of the proposals and then asked for their thoughts. They were advised that what Officers were trying to do, was to move the proposals through the Authority, so that staff would have access to the benefits of the programme prior to Christmas. However, it was confirmed that should Members wish for the proposals to be reviewed, it would be left for the time being and the options considered again in the new year.

The Chair of the Authority commented that although he agreed that he would like to see the fantastic work properly recognised, we are part of the NJC, therefore part of the National picture. He also made reference to the issue of the Scottish and Welsh Governments providing recognition for the FRS contribution, whilst our Government have stated that there will be a freeze on pay rises, hence the issue has a more political basis.

He stated that the Authority therefore need to ensure that they are doing the right thing; and he felt that what is proposed is reasonable.

The Chair of the Authority stated that he was still hopeful that there would be a National discussion in terms of recognition; and that an issue such as providing individuals with additional leave, is a matter for the NJC.

He confirmed his view that what the Authority are able to do locally, was contained within the report, but stated that the matter could be revisited as policy develops.

Members were advised that with regards to the suggestion that the Authority provide both additional leave, and the Rewards and Recognition programme,

should Members approve the report today, staff can be provided with early recognition via the programme, whilst Officers will ensure that the issues raised by Members, are raised Nationally via the Home Office.

Members confirmed that they would be content with this proposal.

A further question was raised by Members with regards to personal data and what access to data senior officers will have, through Perkbox.

Members were advised that Officers will not have access to any personal data and that the information will be in response to pulse surveys. It was confirmed that the information will be akin to that received through the staff surveys, with information anonymised. However, they were informed that what can be drawn out of the data, is the amount of benefit secured by staff generally, but not down to an individual level.

Members Resolved that:

- a) the proposal to procure the Total Reward programme for one year, be approved.
- b) Officers assess the expected benefits of the programme with the outcome of the assessment reported back to members via the Scrutiny Committee prior to any extension.
- c) The Chief Fire Officer be requested to make representations at a National level, via the Home Office, around the recognition of Fire and Rescue Service staff, for their contribution during the pandemic.

**11. Provision of Equipment for National Resilience Mass Decontamination Capability**

***This Minute contains EXEMPT information, by virtue of Paragraphs 3 and 7 of Part 1 of Schedule 12A of the Local Government Act 1972.***

Close

Date of next meeting Thursday, 25 March 2021

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

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