

MERSEYSIDE FIRE AND RESCUE AUTHORITY

28 FEBRUARY 2019

MINUTES

Present: Councillors Roy Gladden, Lynne Thompson, Denise Allen, Sharon Connor, Joe De'Asha, Janet Grace, Brian Kenny, Les Byrom, Peter Brennan, Lesley Rennie, Jean Stapleton, Sharon Sullivan, Paul Tweed, Steff O'Keeffe and Adrian Jones

Apologies of absence were received from: Councillors James Roberts, Andrew Makinson and Lisa Preston

7. Chair's Announcement

Prior to the start of the meeting, information regarding general housekeeping was 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.

Members were informed that there had been a change of appointment to MFRA by Wirral Council, who had replaced Cllr Chris Meaden, with Cllr Adrian Jones.

The Chair advised that Cllr Adrian Jones was in attendance; and welcomed him to MFRA on behalf of the Authority.

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, due to the possible disclosure of exempt information:

- Agenda Item 6 “Tender for the Provision of Insurance Services” contains EXEMPT information by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

2. Minutes of the previous meeting

The Minutes of the previous meeting of the Authority held on 18th October 2018, were approved as a correct record and signed accordingly by the Chair.

3. Asset Management Plans 2019/2020 - 2023/2024

Members considered report number CFO/001/19 of the Chief Fire Officer, concerning how the Authority plans to align its physical asset base with its corporate goals and objectives over the next 5 years (2019/20 – 2023/24).

Members were advised that the Asset Management Plans take account of the financial challenge faced by the Authority and consequently the changes that are likely to be necessary in order to continue to meet requirements and expectations of both internal and external service users.

Members were informed that the Asset Management Plans cover three areas: Estates, ICT and Transport, with each plan detailing how the Authority will utilise its assets to achieve the goals contained within the Integrated Risk Management Plan.

Members resolved that:

the revised Asset Management Plans provided as Appendices to this report, be approved.

4. Merseyside Fire and Rescue Authority Budget and Financial Plan 2019/2020 – 2023

Members considered report number CFO/009/19 of the Treasurer, concerning the setting of a medium term capital and revenue financial plan that allocates resources in line with the Authority’s strategic aims and ensures that the Authority delivers an efficient, value for money service. This will also allow the Authority to determine a budget for 2019/20 and a precept level in line with statutory requirements.

Members were informed that the proposed financial plan will deliver the funding required to implement the Chief Fire Officer’s proposals around re-investing in operational response and protection services, to meet the risks identified within the draft 2019-21 IRMP Supplement.

The Budget and Financial Plan key assumptions, were outlined to Members, which are that Annual Pay awards will not exceed 2%, the Government will

make a £2.1m contribution from 2020/21 towards the £2.8m increase in FPS employer rates following Government changes to the scheme: and from 2020/21 the Government financial settlement for the Authority will increase by 1.5% per annum.

Members were provided with a detailed overview of the report, which highlighted the proposed 5 year capital programme and prudential borrowing requirement, the Minimum Revenue Provision set aside each year to repay debt associated with capital expenditure; and the prudential indicators to determine the affordability and sustainability of the proposed capital investment.

The Authority's Treasury Management Strategy, was outlined for Members, which proposes an investment strategy consistent with the current strategy, continuing with the current institutional limits and minimum credit ratings.

Members were advised that all costs associated with the proposed 5 year capital programme and prudential borrowing have been built into the proposed medium term financial plan and the associated borrowing is deemed to be sustainable and affordable.

Members were informed that additional costs and funding have been identified since the approval of the 2018/19 plan, which has now been built into the proposed 2019/20 Plan. As a result of those changes, although the 2019/20 financial position remains balanced, a £1m financial challenge from 2020/21 has been identified.

Possible saving options for the Authority to consider in order to re-balance the proposed financial plan from 2020/21, were highlighted to Members; which include repaying historic debt off early to free-up debt servicing budget; and assuming that the forecast improvement in the Local Government Pension Scheme (LGPS) fund position materialises following the 2019 actuarial review, which would make the current £0.8m budget committed to the repayment of the historic deficit contributions available.

Members were asked to note that there is a small outstanding financial balance remaining from 2022/23, due to the significant uncertainty around future years' spending and funding assumptions.

The anticipated reserves over the financial plan period and the proposed use of these reserves, was highlighted to Members, which recommends maintaining a general fund reserve at the current level of £2m which equates to 3% of the net operating expenditure budget. It was also highlighted that most of the £23m of committed reserves, is expected to be utilised over the next 2 years.

Members were advised that for the revenue budget to be balanced, £29.2m needs to be raised from the Council Tax Precept in 2019/20. This requires an increase in the current Council Tax Band D precept of 2.99% or £2.28, raising the figure from £76.56 to £78.84.

A number of comments were made by Members expressing support for the budget proposals.

The Chair of the Authority – Cllr Les Byrom, then formally moved the proposed Budget Resolution on behalf of the Labour Group.

The motion was seconded by the Vice-Chair, Cllr Sharon Sullivan.

Members voted on the motion, as follows:

15 Members voted in favour of the motion (all Members in attendance)

0 Members voted against the motion

0 Members abstained.

The Budget Resolution for 2018/19 was therefore unanimously approved.

The Chair of the Authority stated that this budget provides MFRA with the opportunity to re-set and take a thorough look at what we do and why.

Members resolved that:

- a) the 2019/20 service budget set out in the report, be noted.
- b) the Director of Finance's recommendation on maintaining the current level of general fund balance at £2.000m, and maintaining the reserves as outlined in Paragraph 135 to 138 of this report, be endorsed.
- c) the current plan to increase the precept by just below 3% for 2019/20, raising the Band D Council Tax from £76.56 to £78.84 and confirm the strategy for future precept rises (the plan assumes further increase of just under 2% in each year thereafter), be endorsed.
- d) the assumptions in developing a five year (2019/20 – 2023/24) Financial Plan outlined in the report and approve the Medium Term Financial Plan in Appendix C and the 2019/20 budget estimate of £60.282m, be endorsed.
- e) the 2019/20 – 2023/24 amended saving plan outlined in the report and summarised in Appendix C, be approved.
- f) the capital strategy and investment strategy as summarised in Appendix B, be approved.
- g) the Minimum Revenue Payment (MRP) strategy for 2019/20 as outlined in Paragraph 66 to 77 of this report, be approved.
- h) the prudential indicators relating to the proposed capital programme, paragraph 83 to 85 of this report, be noted.
- i) the Treasury Management Strategy outlined in Section F and agree the Treasury Management indicators set out in paragraph 90(d) of this report for:-
 - External Debt
 - Operational Boundary for Debt
 - Upper limits on fixed interest rate exposure
 - Upper limits on variable rate exposure
 - Limits on the maturity structure of debt

➤ Limits on investments for more than 364 days;
be approved.

j) the recommendations above provide an approved framework within which officers undertake the day to day capital and treasury activities, be noted.

k) The Budget Resolution for 2019/20, be approved as follows:

BUDGET RESOLUTION 2019/20

Merseyside Fire and Rescue Authority Budget and Medium Term Financial Plan Resolution 2019/20 – 2023/24

1. Merseyside Fire and Rescue Authority (the Authority) suffered one of the largest cuts in Government funding of any Fire and Rescue Service in the country between 2010/11 and 2015/16. The 2015 Government Spending Review announced further significant grant cuts for the Authority from 2016/17 up to 2019/20.
2. Over the 2010/11 to 2019/20 period the Authority faces a 50%, in real terms, reduction in the grant support it receives from Government. Over the same period the Authority's total revenue budget will reduce from £73.6m to £60.3m or £13.3m which represents an 18% cash or 40% real reduction.
3. The Authority had set a financial plan in 2016/17 that would deliver the required savings needed as a result of government cuts up to 2019/20. Each year since 2016/17 the Authority reviews the approved plan and amends it for any required adjustments to reflect changes in costs, income or Service needs. These drastic cuts from the Government has forced the Authority to make and continue to make tough choices.
4. The impact of the 2015 Comprehensive Spending Review meant the Authority had to find over £11m of savings from the forecast planned spend for 2016/17 to 2019/20. The Authority has planned prudently to minimise the impact on frontline services and identified significant efficiency savings of over £9m by reducing management, support services costs and other technical amendments. Despite these efficiencies unfortunately the Authority had no choice but to approve an unavoidable reduction of £1.9m from the operational front line. These plans being detailed in the 2017-2020 Integrated Risk management Plan.
5. The Authority has a new Chair and Vice Chair and a new principle officer team, thus as part of the 2019/20 budget process the Chief Fire Officer has expressed an operationally focused desire to re-invest £1m back into operational response and protection services in light of an increased risks from fire and other emergencies, particularly the services ability to respond to large and/or protracted incidents as well as the need to enhance protection functions in the light of the Grenfell Tower fire and other major incidents. The Authority will consult on the alternative proposals in its

supplement to the 2017-2020 IRMP – the supplement if approved would see its current plan extended to 2021.

6. If approved following consultation the Authority, as an important and safety driven change of direction will commit £1m to increase the firefighter numbers on Merseyside by an additional 22 posts and increase appliance availability from 26 to 30. The Authority must identify savings from elsewhere in its budget to cover this investment as the Government's 2019/20 settlement has provided no additional funding for the Authority despite a comprehensive lobbying strategy by the Leader and Members' of the Authority and local MPs.
7. The Chief Fire Officer and Director of Finance have identified a strategy to release current debt servicing and pension deficit payment budgets to fund this £1m investment.
8. The Authority is concerned that the reductions in services due to Government funding cuts since 2010/11 have already gone too far. Future Government funding cuts may force the Authority to make further reductions in frontline services including a review of the proposed £1m investment. Therefore, the Authority will continue to lobby the Government against the level of cuts in funding made since 2010/11 and highlight the consequences that further cuts will have on the effective delivering of a vital emergency service.
9. The Authority has undertaken a process of lobbying more extensively than any other Authority in the Country and we believe this may have avoided further and deeper cuts and our views on future funding have been heard at the highest levels of Government. The Authority has said it will not allow these unsafe levels of cuts to just roll over us, but we will use every political device we can to improve funding so as to maintain the highest levels of public and staff safety here on Merseyside.
10. In order to minimise the impact on the Fire and Rescue Service we propose a council tax increase of just under 3%.
11. The effect of the budget on the council tax will be a ***Band D Council Tax of £78.84 (which equates to £1.52 per week) an increase of less than 5p per week on the 2018/19 figure.***
12. Most people in Merseyside will pay ***Band A Council Tax of £52.56 or £1.01 per week towards their Fire & Rescue Service.***
13. The Authority recognises that the Fire and Rescue Service is required to resource on the basis of risk not demand. But it also appreciates that Merseyside faces more demands than most other services due to the high levels of deprivation that its communities experience. During this period of austerity, we urge this Government to reflect on the impact these cuts are having on the Fire and Rescue Service and properly review all risks facing the country in the light of emerging risks (for example a heightened terrorist threat or responding to increased flooding events through climate change)

and would hope that resources are allocated in a way that allow Merseyside to continue to respond effectively to local and national threats.

The Financial Plan

14. In order to balance the financial plan the Authority will adopt the following strategy

- Prepare a five year financial plan based on the final Local Government Finance Settlement figures announced on 29th January 2019, that;
 - i. deals with the financial challenge arising from the known Government funding support up to 2019/20, and
 - ii. although the financial plan has projected Authority spend and Government funding up to 2023/24, the 2020/21 and future years estimates are based on assumptions that are unpredictable as future Government funding for the Fire and Rescue Service is subject to a number of Government reviews and the national economic performance. Therefore, the Authority has agreed to note the outstanding financial challenge from 2020/21 at this point and will deal with any saving requirement in future budget rounds.
 - iii. Look to realign £1m of current budget to allow investment in frontline response and protection services, and in particular increase the number of firefighter by 22 posts and available appliances from 26 to 30 (as detailed in the 2017 – 2021 IRMP Supplement).
- To set council tax increases in line with its financial plan of just under 3% for 2019/20 and just under 2% thereafter.
- That assumes annual pay increases for its staff will be within the 2% limit set in the plan. This reflects the recent pay offers made by employers.
- The Authority will continue if possible to identify additional efficiencies to re-invest in the front line.
- Any changes to the operational staffing model deemed necessary by the Chief Fire Officer to make effective use of the £1m investment will be made following the conclusion of the 2019 – 2021 supplementary IRMP process.
- The Authority will continue to focus its search for efficiencies on collaboration, management, support services costs and other technical reviews.

15. Noting that there is a considerable risk in the Authority's aspiration to find £1m savings from within existing budgets, pay assumptions of 2% being broken and future Government funding. It has therefore maintained a small smoothing reserve £0.45m and an inflation reserve of £0.70m as well as other reserves to cover specific risks.

16. The Authority recognises that the Chief Fire Officer needs to consider any recommendations on future national fire and rescue practices that come out

of the Grenfell review and ongoing local challenges. It therefore recognises that the Chief Fire Officer will need to continue to manage operational crewing levels and appliance availability on a dynamic basis using a variety of response systems where necessary under his delegated powers as the financial plan proceeds to delivery.

17. The Authority is fully committed to reducing its own costs as the organisation faces up to the Government cuts and what that means for local services. The Authority had already made reductions in its allowances of £24,000 and the Authority will again freeze all member allowances for the eleventh consecutive year.

IRMP

18. The Authority agrees to reflect this financial plan in its 2019-2021 supplementary Integrated Risk Management Plan (IRMP) and will consult with the local community and stakeholders on the IRMP and the impact current and future Government cuts will have upon them.

Implementation

19. The Authority recognises it is important to deliver the £1m enhanced response and protection services as soon as possible but it will take time not only for the outcome of the IRMP consultation exercise to be completed, but also to recruit the required operational personnel. This situation is made more difficult in light of the expected firefighter retirements over the next 5 to 8 years. The Authority has therefore established a £3m firefighter recruitment reserve to enable recruitment to take place in advance of firefighter retirements and the conclusion of the IRMP process.
20. The Authority believes that a wholetime professionally trained workforce is the most resilient and effective way of delivering a Fire and Rescue Service to its communities and is fully committed to maintaining this approach.

Council Tax

21. In identifying a financial deficit of £11m over the 2016/17 – 2019/20 period the Authority had already assumed a council tax increase at the maximum level allowed by the Government before a referendum was required. The Government has confirmed that the threshold for 2019/20 is an increase of just under 3%.
22. Because of the scale of the financial challenge the Authority has agreed, with a heavy heart, to stick to this plan and increase council tax to the maximum allowed before a referendum is required. In 2019/20 the Authority has approved an increase of just below 3% to minimise the impact on the services to Merseyside in the future.
23. The impact of the budget on the council tax will be a Band D Council Tax of £78.84 (which equates to £1.52 per week) an increase of less than 5p per week on the 2018/19 figure.

24. Most people in Merseyside will pay ***Band A Council Tax of £52.56 or £1.01 per week towards their Fire & Rescue Service.***

Interoperability with Blue Light Partners

25. This Authority is fully committed to closer collaboration with our emergency service colleagues across the county. Many collaborative successes have been achieved so far including:-

- (i) The delivery of the Joint Command and Control Centre with Merseyside Police,
- (ii) Sharing 7 sites with North West Ambulance Service (NWAS) including NWAS Hazardous Area Response Team working alongside the Search and Rescue team,
- (iii) The creation of a Joint Police and Fire Station in Knowsley
- (iv) Extensive joint planning and exercising.

26. The Authority instructs the Chief Fire Officer to continue to build upon this success and in particular to actively seek out opportunities of working with NWAS and Merseyside Police around sharing buildings, and other assets and corporate service functions.

Working with other Partners

27. The Authority will continue to work in partnership with each District Council in order to explore opportunities in which will mutually benefit each Authority in dealing with these and future financial challenges.

28. The Authority will examine the impacts of the devolution agenda and how best we can understand and develop constructive dialogue with the Liverpool City Region Combined Authority.

Reserves

29. The Authority has prudently planned to meet its financial challenges over the medium term. The plan the Authority proposes is based upon the key assumptions around changes to grant, pay, tax and pension costs.

30. The Authority recognises that there are substantial risks associated with these assumptions and that, particularly in light of the current economic climate; it is not unreasonable to expect a significant degree of financial uncertainty and risk which will vary across the life of the financial plan. The Authority will therefore set a medium term financial plan based upon these key assumptions recognising that it may need to vary that plan to cope with changes arising.

31. In light of the risks within the financial plan the Authority therefore agrees to maintain the reserves as set out in Appendix B to this resolution and in particular maintain a general revenue reserve of £2.0m.

Capital Programme

32. The Authority approves the Capital Programme as set out in CFO/009/19 which includes a total investment of over £36.481m over 2019/20 – 2023/24 period. The programme for 2019/20 shall be approved as £17.680m.
33. The Authority notes the prudential indicators that this programme produces and recognises that the proposed capital investment programme is prudent, sustainable and the borrowing affordable. This programme makes use of the freedoms available to the Authority under the prudential regime and proposes 'prudential' borrowing of £7.635m in 2019/20 as part of a total borrowing of £21.436m across the life of the plan.
34. In the light of the capital programme and the prudential indicators, agree the Treasury Management Strategy and the indicators set out in that strategy for:-
- (i) External Debt
 - (ii) Operational Boundary for Debt
 - (iii) Upper limits on fixed interest rate exposure
 - (iv) Upper limits on variable rate exposure
 - (v) Limits on the maturity structure of debt
 - (vi) Limits on investments for more than 364 days

Basic calculations

35. Following consideration of the report of the Director of Finance (CFO/009/19) and having taken into account views expressed in consultations, and all other relevant matters, pursuant to the Local Government Finance Act 1992, as amended, (the "Act"), the Authority determines its budget requirement for the financial year 2019/20 as follows.
36. Approves the capital expenditure programme for the financial year 2019/20 for the total of £17.680m as set out in report CFO/009/19 and the five year programme totalling investment of £36.481m, and in this respect notes the advice of the Director of Finance that the programme is prudent, sustainable and the borrowing affordable.
37. The Authority resolves as follows:
- (a) It be noted that on 28th February 2019, the Authority calculated the Council Tax Base 2019/20 for the whole Authority area as 370,674.27 [Item T in the formula in Section 42B of the Local Government Finance Act 1992, as amended (the "Act")].
 - (b) That the following amounts be calculated for the year 2019/20 in accordance with sections 40 to 47 of the Act:

The Authority calculates the aggregate of: (A)
 - the expenditure which it estimates it will incur in the financial year 2019/20 in performing its functions and will charge to the revenue

account for the year in accordance with proper practices under S42A (2) (a) of the Act as £84.760m,

- the allowance as the Authority estimates will be appropriate for contingencies in relation to amounts to be charged or credited to the revenue account for the year 2019/20 in accordance with proper practices under S42A (2) (b) of the Act as £0.000m,
- the financial reserves which the Authority estimates it will be appropriate to raise in the year for meeting its estimated future expenditure for 2019/20 under S42A (2) (c) of the Act as £0.040m,
- the financial reserves as are sufficient to meet so much of the amount estimated by the Authority to be a revenue account deficit for any earlier financial year as has not been already provided for under S42A (2) (d) of the Act as £0.000m.

The Authority must also calculate the aggregate of: (B)

- the income which it estimates will accrue to it in the year 2019/20 and which it will credit to a revenue account for the year in accordance with proper practices, other than income which it estimates will accrue to it in respect of any precept issued by it under S42A (3) (a) of the Act as £55.576m,
- The amount of the financial reserves which the Authority estimates that it will use in order to provide for the items mentioned in S42 (2) (a and b) under S42A (3) (a) of the Act as £4.317m.

If the aggregate calculated under A above exceeds that calculated under B above, the Authority must calculate the amount equal to the difference; and the amount so calculated is to be its council tax requirement for the year under S42A (4) (Item R in the formula in S42B of the Act).

The Authority calculates the basic amount of its council tax by dividing the aggregate amount of S42A (4) (item R) divided by the council tax base (item T) above. The council tax requirement for 2019/20 is £29,223,959 and the council tax base is 370,674.27, which is equal to £78.84 precept for a Band D property. This calculation meets the requirements under S42B of the Act.

38. The Authority calculates the council tax sums pursuant to S47 of the Act as follows:

2019/20	Property Band		Increase	
£			£	%
£52.56	For properties in Band	A	1.52	2.98
£61.32	For properties in Band	B	1.77	2.97
£70.08	For properties in Band	C	2.03	2.98
£78.84	For properties in Band	D	2.28	2.98
£96.36	For properties in Band	E	2.79	2.98
£113.88	For properties in Band	F	3.29	2.97
£131.40	For properties in Band	G	3.80	2.98
£157.68	For properties in Band	H	4.56	2.98

39. The Authority calculates the precept amounts payable by each constituent district council pursuant to S48 of the Act as follows:-

PRECEPT		AUTHORITY
£		
8,353,900	Payable by	LIVERPOOL
7,371,367	Payable by	WIRRAL
4,045,832	Payable by	ST.HELENS
6,628,654	Payable by	SEFTON
2,824,206	Payable by	KNOWSLEY
29,223,959		

40. The Authority requests the Director of Finance to arrange for precepts to be issued to the constituent district councils pursuant to S40 of the Act before 1st March 2019, such sums to be payable by 10 equal instalments on or before the following dates:

Thursday	18th April 2019
Thursday	30th May 2019
Friday	5th July 2019
Monday	12th August 2019
Wednesday	18th September 2019
Thursday	24th October 2019
Friday	29th November 2019
Thursday	9th January 2020
Friday	14th February 2020
Tuesday	17th March 2020

41. The Authority notes that the Director of Finance has advised that the 2019/20 budget is based upon robust estimates.

Appendix A – 2019/20 Budget & Financial Plan to 2023/24

2019/20 - 2023/24 FINANCIAL PLAN FUNDING INCREASE +1.5% post 2019/20					
	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
2018/19 MTFP	59,866	61,175	62,650	64,100	64,100
<u>EXPENDITURE - 2019/20 issues:-</u>					
2023/24 Inflation Provision					1,200
Increase in Gov Unfunded Pension Discount above 3%/£600k assumed	2,200	2,200	2,200	2,200	2,200
Gov Funding for the above	-2,592				
Gov Funding for the FPS discount assumed from 2020/21 (CSR 2019)		-2,100	-2,100	-2,100	-2,100
2019 Actuarial review of LGPS: employer rate 15.2% to 17.7%		250	250	250	250
Increase in MRP from one-off additional resources	858	156	59	0	0
Anticipated reduction in MRP / LGPS Deficit budget requirement		-1,000	-1,000	-1,000	-1,000
Increase FF Establishment +22 Posts / Fire Engineer	250	1,000	1,000	1,000	1,000
Increase in Sec 31 grants for national 2019/20 Business Rate relief(s)	-200	-200	-200	-200	-200
New Insurance Tender - Price saving	-100	-100	-100	-100	-100
2019/20 Updated MTFP	60,282	61,381	62,759	64,150	65,350
<u>FUNDING</u>					
<u>Government Funding-Settlement Funding Assessment:</u>					
Top Up Grant .	-15,586				
CLG Estimate of Local Business Rate Share	-4,227				
Baseline Funding Level	-19,813				
RSG	-11,000				
Settlement Funding Assessment	-30,813	-30,813	-30,813	-30,813	-30,813
Assume Uplift in SFA by 1.5% p.a. from 2020/21		-462	-931	-1,407	-1,891
Assumed Government Funding-Settlement Funding Assessment	-30,813	-31,275	-31,744	-32,220	-32,704
Adjustment for Business Rates based on NNDR1 District Forecasts					
Adjustment for Local Business Rate income forecast from Districts	-7	0	0	0	0
NNDR Collection Fund (surplus)/deficit	-72	0	0	0	0
Adjustment to Local Business Rates income forecast	-79	0	0	0	0
Council Tax -					
Base Precept Income	-29,224	-29,224	-30,106	-31,015	-31,635
Assume increase in Council Tax Base of 1.0% each year from up to 2021/22		-292	-301	0	0
Assume just under 3% rise year on year in 2019/20 then 2% thereafter		-590	-608	-620	-633
Council Tax Collection Fund (surplus)/deficit	-166	0	0	0	0
Forecast Council Tax Income	-29,390	-30,106	-31,015	-31,635	-32,268
TOTAL FUNDING	-60,282	-61,381	-62,759	-63,855	-64,972
Forecast (Surplus) / Deficit	0	0	0	295	378

Appendix B- Reserves

	Estimated 2019/20 Opening Balance	Estimated 2019/20 Expected Use	Estimated 2020/21 Expected Use	Estimated 2021/22 Expected Use	Estimated 2022/23 Expected Use	Estimated 2023/24 Expected Use
<u>Committed Reserves</u>	£'000	£'000	£'000	£'000	£'000	£'000
<u>Emergency Related Reserves</u>						
Bellwin & Emergency Planning Reserve	222	0	0	0	0	0
Insurance Reserve	500	0	0	0	0	0
<u>Modernisation Challenge</u>						
Smoothing Reserve	450	0	-450	0	0	0
Ill Health Penalty Reserve	150	0	-75	-75	0	0
Recruitment Reserve	3,000	-300	-600	-600	-600	-600
Invest to Save Reserve	636	-300	-300	-36	0	0
<u>Capital, Debt Repayment and LGPS Res</u>	14,414	-5,914	-8,500	0	0	0
<u>Specific Projects</u>						
PFI Annuity Reserve	2,001	-200	-220	-240	-260	-1,081
Healthy Community Reserve	65	-38	-27	0	0	0
Equipment & Clothing Reserve	369	-369	0	0	0	0
Training Reserve	150	-50	-50	-50	0	0
Inflation Reserve	700	0	0	0	0	0
<u>Ringfenced Reserves</u>						
Princes Trust Reserve	121	-61	-60	0	0	0
Community Risk Management Reserve	325	-125	-100	-100	0	0
Energy Reserve	19	-10	-9	0	0	0
Total Committed Reserves	23,122	-7,367	-10,391	-1,101	-860	-1,681
General Revenue Reserve	2,000	0	0	0	0	0
Total Reserves	25,122	-7,367	-10,391	-1,101	-860	-1,681

5. Draft 2019-21 IRMP Supplement

Members considered report number CFO/010/19 of the Chief Fire Officer, concerning the release of the draft 2019-21 Supplement to the Integrated Risk Management Plan (IRMP) 2017-20 for a period of 12 weeks' consultation prior to adoption and implementation, whilst noting that the proposals outlined within the IRMP may change to reflect the views expressed during the consultation process.

Members were informed that following on from the Budget Strategy Day on 24th January 2019, Officers had been lobbying the Government extensively to secure additional funding for a long term investment in MFRA. However, in the short-term, the position would not be altered; and MFRA will need to continue to deliver against the proposals within the current IRMP.

Members were advised that the recent challenges and emerging risks, had given Officers some cause for concern. This has prompted the proposals within the 2019-21 IRMP Supplement, which if approved will result in a re-investment in front line services for the first time in a long time.

It was highlighted to Members that the National Framework places a duty on FRA's to assess all foreseeable risk, locally and nationally; and put arrangements in place to enable them to reduce or address those risks. Members were informed that such considerations have been given when identifying the proposals within the draft 2019-21 IRMP Supplement.

They were advised that the proposals would see an improvement in our resilience and emergency response, by having up to 30 fire appliances available day and night (a combination of wholetime and retained). This would be achieved by introducing multiple fire engines at three stations, in a "hybrid" model, with each providing 2 fire engines immediately available during the day with 1 retained; and 1 fire engine immediately available during the night with 2 retained. Members were advised that if this is implemented, night-time cover would remain at Liverpool City and Wallasey Community Fire Stations.

The proposals around investment in Protection, were then highlighted to Members, which would see an increase in the Protection establishment by 5 Protection Officers, the introduction of a Fire Engineer role; and support the development of a new management information system. Members were informed that these proposals would address issues raised within the HMICFRS 1st Tranche Report and the Hackett Review.

In terms of response, Members were informed that the proposals are to increase the number of Firefighter roles from 620 to 642, establish a ridership factor of 5 at key locations, re-establish Crew Managers at key locations; and maintain night time cover at Liverpool City and Wallasey. Response to terrorist attacks and marine/ flood related incidents, will also be enhanced; and specialist appliances will be re-distributed to align with the new hybrid model.

Members were advised that the proposed changes require the Authority to invest £1m, so as previously approved, underspend will be utilised to reduce debt, in order to release the revenue required.

Members were informed that the proposals will also enable MFRA to continue to recruit Firefighters, staff the Combined Platform Ladder on a permanent basis, build a new Community Fire Station in St Helens, complete the building of Saughall Massie Community Fire Station (which will improve the response time in West Wirral) and invest in redeveloping training facilities.

The proposals will also ensure that capacity is increased to support Emergency Medical Response, ensure we are better equipped to respond to incidents; and support lateral development and progression of staff.

The following new proposals were also highlighted to Members:

- MFRA will continue to improve efficiency and effectiveness of the service, including whether the locations of fire stations are best placed
- Explore the feasibility of introducing a drone
- Use new technology to support the mobilisation of appliances to incidents, such as mobile phone capabilities
- Consider how best to share the information we hold about risks with other FRA's and improve joint training with them.

Members were advised that the new proposals are considered to be a great improvement on the previous position; and they were assured that they can be delivered and sustained with an additional £1m.

Members were also assured that MFRA will continue to lobby Government.

Questions were raised by Members regarding the use of drones; and the impact that a potential 3 mile exclusion zone for drones around airports, may have. Members were advised that this would be considered and discussed with Liverpool John Lennon Airport and other responders; and it was commented that a level of pragmatism would need to be applied in the interests of efficiency and effectiveness.

Members commended the amount of work by Officers, in producing the draft 2019-21 Supplement; and thanked the Chief Fire Officer for his vision.

Members resolved that:

the release of the draft 2019-21 Supplement to the Integrated Risk Management Plan (IRMP) 2017-20 for a period of 12 weeks' consultation prior to final approval, publication and implementation, be approved.

6. TENDER FOR THE PROVISION OF INSURANCE SERVICES

Members considered report number CFO/008/19 of the Monitoring Officer, concerning the award of contract for the provision of insurance services.

Members were advised that the Authority's current contract of insurance is due to expire on 31st March 2019; and a procurement exercise has therefore been undertaken to ensure best value is acquired from the new provider and that there is a continuity of cover.

Members were informed that the Tender was split into 5 lots, as follows, with bids received for all 5 lots:

- Lot 1 Property
- Lot 2 Liability/Crime
- Lot 3 Motor Fleet
- Lot 4 Business Travel: and
- Lot 5 Cyber Liability.

Members were advised that Officers had considered changes to some insurance provisions, which were highlighted, along with the savings identified should the recommendations within the report be approved.

Members queried who the Official's Indemnity covered and were informed that it covers Officers and Members.

Members resolved that:

- a. the award of Lots 1-4 to Zurich Municipal, be approved;
- b. the award of Lot 5 to Risk Management Partners, be approved;
- c. the level of Official's Indemnity insurance cover will increase to £5million with a £250,000 excess, be approved;
- d. the increase of level of cover for Libel and Slander to £5million with an excess of £250,000, be approved; and
- e. the utilisation of the insurance premium saving of £121,900 from 2019/20 to;
 - i. increase in the self-insurance and excess payments budgets by £21,900, and
 - ii. that the remaining £100,000 saving be taken into account in the proposed 2019/20 Medium Term Financial Plan.
- f. The award of contract for a period of three (3) years with the option to extend for a further two (2) years, be approved.

Close

Date of next meeting Thursday, 23rd May 2019