MERSEYSIDE FIRE AND RESCUE AUTHORITY

22 FEBRUARY 2018

MINUTES

Present: **Cllr Dave Hanratty (Chair)** Councillors Denise Allen, Sharon Connor, Janet Grace, Brian Kenny, Chris Meaden, Les Byrom, Barbara Murray, Lesley Rennie, Jean Stapleton, Sharon Sullivan, Paul Tweed and Lynne Thompson

Apologies of absence were received from: Councillors Joe De'Asha, Peter Brennan, James Roberts and Edna Finneran

1. Preliminary Matters

The Authority considered the identification of any declarations of interest, matters of urgency or items that would require the exclusion of the press and public due to the disclosure of exempt information.

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 were determined by the Chair to be considered as matters of urgency; 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 8 – "Provision of Trauma Services" contains Exempt information by virtue of Paragraph(s) 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 full Authority, held on 14th December 2017, were approved as a correct record and signed accordingly by the Chair.

3. Provisional Authority Meeting Dates For 2018/19

Members considered report CFO/012/18 of the Clerk to the Authority requesting that Members consider and note the provisional dates for Authority Committee meetings and events for 2018/19.

Members were advised that set meeting dates may be changed and other meetings convened as and when required, in accordance with procedural standing orders.

Members Resolved that:

a. the provisional schedule of meeting dates and events for the 2018/19 Municipal Year, as attached at Appendix A, be considered.

b. they will be advised of any required amendments to the provisional dates.

c. the provisional dates (including any requested amendments), to be confirmed at the Authority's AGM on 14th June 2018, be noted.

4. Asset Management Plans 2018/19 - 2022/23

Members considered report CFO/016/18 of the Chief Fire Officer, which sets out how the Authority plans invest in its ICT, Buildings and Vehicle assets over the next 5 years (2018/19 – 2022/23). The investment will be required to continue to meet the needs of the Service and deliver the Authority's mission, aims and service delivery plans. The proposed 2018/19 – 2022/23 Medium Term Financial Plan and Capital Budgets that are on the Budget Authority agenda for approval today have incorporated the required financial investment outlined in the Asset Plans .

Members were reminded that the disposal of Huyton Fire Station was agreed at a previous Authority meeting on 1st February 2018.

Members resolved that:

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

5. MERSEYSIDE FIRE AND RESCUE AUTHORITY BUDGET AND FINANCIAL PLAN 2018/19 - 2022/23

Members considered report CFO/004/18 of the Treasurer, presenting information to allow Members to set a medium term capital and revenue financial plan that allocates resources in line with the Authority's strategic aims and ensures that MFRA delivers an efficient, value for money service. This will also allow MFRA to determine a budget for 2018/19 and a precept level in line with statutory requirements.

The proposed Capital Programme for 2018/19 to 2022/23 would see a total investment of £31.946m. This would represent an overall increase in capital

expenditure above that in the current programme of £5.536m. Of this £4.665m relates to the addition of an extra year (2022/23). After taking into account the non-borrowing funding the impact of the net additions to the expenditure programme on the Authority's borrowing requirement is a net increase of £5.146m. Members were requested to consider the revenue impacts of the proposed capital investment and borrowing requirement as part of revenue budget and council tax considerations.

Members were advised that under the Local Authorities and Accounting Regulations, MFRA is required to set aside a sum of money each year to reduce the overall level of debt, known as the Minimum Revenue Provision (MRP). Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations were updated in 2008 and now require each Authority to repay debt at a rate it considers prudent and to set out in an annual statement the Authority's policy on making MRP in respect of the forthcoming year. The report sets out the Authority's MRP policy for 2018/19 and Members were asked to approve the policy.

The report set out for Members the proposed options for balancing the 2018/19 – 2019/20 revenue budget based on certain assumptions in the MTFP. The report also outlined the Authority's reserve strategy and outlined how the Authority had set aside specific reserves to meet potential significant risks or future one-off projects and investments. Therefore, as the significant risks are known and are being managed or have a specific reserve, the Treasurer recommends maintaining the general reserve at its current £2.000m level that equates to 3% of the revenue budget, below the 5% recommended by Audit.

The CFO reminded Members that the current plan assumes a £1.9m operational response saving that would see a loss of up to 49 firefighter posts. Since Members approved this option a number of major fire incidents have occurred, particularly the Grenfell incident. The CFO is reviewing the current operational model to assess any additional operational investment requirements in light of the guidance that may come out once the Grenfell review has been completed. At this point the plan assumes no further savings can be taken from the operational budget and any additional investment will have to be met from other budget heads. No additional investment in the operational front line has been built into the proposed financial plan. Any changes to the staffing model deemed necessary by the CFO will be within the existing 620 whole time equivalent post allocation and will be broadly cost neutral.

The Chair asked representatives of the Unions if they wished to add anything:

- A member of the Fire Brigades Union (FBU) commented that the FBU agreed with the report and recognise the financial constraints. However, they also commented that any more cuts to Operational Staff would not be tolerated and Councillors were requested to continue lobbying on behalf of MFRS.
- A member of the Fire Officers Association (FOA) agreed with comments made by the FBU, but stated that the view of FOA is that Emergency Services should not take strike action. They also praised the response to the Echo Arena car park fire.

The Budget Resolution was then formally moved by Cllr Hanratty and seconded by Cllr Byrom.

Members place on record their thanks to Finance staff for the production of a viable budget and stated that they will continue to lobby the Government.

Cllr Rennie commented that she would support the budget, as there was no viable alternative strategy. She praised firefighters and staff for doing a wonderful job.

The Police & Crime Commissioner - Jane Kennedy raised a question regarding a previous MFRA vote in favour of reforming of the Authority, and asked if MFRA were continuing to pursue this option in an effort to save costs. The Chair of the Authority responded that work around the reform was on hold at present, pending the outcome of considerations regarding the Metro Mayor and Liverpool City Region. He commented that despite Halton being part of the Liverpool City Region, it is currently within the boundary of Cheshire Fire & Rescue Authority, which creates complications in terms of governance, which would need to be resolved.

The Chair of the Authority commented that he was moving the Budget Resolution with a heavy heart, as no-one comes into politics to make cuts. He explained that the perception of the public is that they expect a response as quickly as possible when required; and all the Authority can do is try to ensure that this continues to occur, despite continuing cuts.

Members then voted on the motion:
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.

<u>Members resolved that:</u>

a. the 2018/19 service budget set out in the report, be noted.

b. the Treasurer's recommendation on maintaining the current level of general fund balance at £2.000m, and maintaining the reserves as outlined in Paragraph 141 to 146 of this report, be endorsed.

c. the current plan to increase the precept by just below 3% for 2018/19, raising the Band D Council Tax from £74.34 to £76.56 and confirm the strategy for future precept rises (the plan assumes a further increase of just under 3% in 2019/20 and then just under 2% in each year thereafter), be endorsed.

d. the assumptions in developing a five year (2018/19 – 2022/23) Financial Plan outlined in the report and approve the Medium

Term Financial Plan in Appendix C and the 2018/19 budget estimate of £59.701m, be endorsed.

e. the 2018/19 – 2022/23 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 2018/19 as outlined in Paragraph 77 to 78 of this report, be approved.

h. the prudential indicators relating to the proposed capital programme, paragraph 89 to 91 of this report, be noted.

i. the Treasury Management Strategy outlined in Section F, be approved and the Treasury Management indicators set out in paragraph 96(d) of this report 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,

be agreed.

j. The Budget Resolution 2018/19, be agreed as follows:

BUDGET RESOLUTION 2018/19

Merseyside Fire and Rescue Authority Budget and Medium Term Financial Plan Resolution 2018/19 – 2022/23

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 £59.9m or £13.7m which represents a 19% cash or 40% real reduction.

3. The Authority has set a financial plan that delivers the required savings needed as a result of government cuts up to 2019/20. These drastic cuts from the Government has forced the Authority to make tough choices.

4. The impact of the 2015 Comprehensive Spending Review meant the Authority had to find £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 £9.1m 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.

5. It is with extreme reluctance that the Authority has accepted the recommendation of the Chief Fire Officer to deliver the operational savings required as a result of the Government cuts up to and including 2019/20. The saving will be delivered through the transition from wholetime crewing to days and retaining crewing on 6 appliances as the least worst operational option. Compared to 2010/11 the number of fire appliances in Merseyside by 2019/20 will reduce from 42 wholetime pumps down to a budgeted 18 wholetime pumps; 6 day crewed appliances; and 2 fully wholetime retained appliances. This equates to a 57% reduction in wholetime pumps.

6. The Authority is therefore saddened to have to approve a financial plan that is based upon a significant reduction in the operational cover provided to the Merseyside community at a time when incidents such as that at Grenfell highlight the need to maintain a suitably resourced Fire and Rescue Service.

7. In order to minimise the impact on the Fire and Rescue Service the Authority has agreed a council tax increase of just under 3%.

8. The effect of the budget on the council tax will be a ***Band D Council Tax of £76.56 (which equates to £1.47 per week) an increase of less than 5p per week on the 2017/18 figure.***

9. Most people in Merseyside will pay ***Band A Council Tax of £51.04 or 98p per week towards their*** **Fire & Rescue Service*.***

10. The Authority will continue to lobby the Government against the level of cuts being proposed and highlight the consequences that further cuts will have on effectively delivering an emergency service.

11. The Authority recognises that the Fire and Rescue Service is emergency risk based and not demand led. 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

12. 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 6th February 2018, 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 2022/23, 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.
    - To set council tax increases in line with its financial plan of just under 3% for 2018/19 and 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 is of the view that no more savings can be taken from operational response, and if possible would wish to identify additional efficiencies to re-invest in the front line.
    - In order to set a balanced financial position for 2019/20, the Authority has instructed the Chief Fire Officer to review Support Services and deliver a minimum £0.426m saving in 2019/20 and future years.
    - Any changes to the operational staffing model deemed necessary by the Chief Fire Officer will be made within the existing budgeted 620 whole time equivalent (WTE) firefighter establishment and will be broadly cost neutral
    - The Authority will continue to focus its search for efficiencies on collaboration, management, support services costs and other technical reviews and assume that the current approved savings of £9.053million (including the 2019/20 anticipated £0.426m saving) can be generated from that area.
    - The approved saving of £1.900m from operational response can be delivered.

13. Noting that the reduction in firefighter numbers will be achieved by natural retirement rates and will be delivered in full by the end of 2018.

14. Noting that there is a considerable risk that the Authority's aspiration to avoid compulsory redundancy may be compromised because of the need for a reduction in non-uniformed staff. Therefore instruct the Chief Fire Officer to use voluntary severance and early voluntary retirement in line with Authority's policy to as far as possible achieve savings through voluntary means.

15. The Authority notes that to deliver any savings in relation to the number of staff it employs may take time. The Authority is committed to seeking to try and avoid compulsory redundancy. The Authority has established a cost smoothing reserve to be used in this regard.

16. The Authority requests that the Chief Fire Officer continue to bring back individual reports, including equality impact assessments, as soon as possible on specific business cases for operational savings and support service reviews as detailed information and costs become available.

17. 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, Fire and Rescue National Framework guidelines 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.

18. 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 tenth consecutive year

IRMP

19. The Authority agrees to reflect this financial plan in its 2017- 2020 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

20. The Authority recognises to fully deliver the staff savings (both Support and Firefighters) will take time as:-

    - The Service needs to finalise plans to re-engineer support services and consider blue light and other collaboration opportunities, and
    - In relation to Firefighter post reductions the Authority will seek to use natural turnover rates recognising this will take until at least late 2018 to achieve the reduction in the establishment.

    This approach will require the use of reserves (smoothing reserve) in the intervening period if compulsory redundancies are to be avoided. The proposed reserve strategy reflects this methodology.

21. The Authority requests the Chief Fire Officer to use every available measure and management tool to avoid compulsory redundancy and therefore it grants delegated power to utilise the Voluntary Severance / Voluntary Early

Retirement Programme in line with the VS/VR framework agreed by the Authority previously.

22. 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

23. 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 of just below 2% in each year. The Government has announced that this threshold has been increased to just under 3% for 2018/19 and 2019/20.

24. 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 2018/19 the Authority has approved an increase of just below 3% to minimise the impact on the services to Merseyside in the future

25. The impact of the budget on the council tax will be a Band D Council Tax of £76.56 (which equates to £1.47 per week) an increase of less than 5p per week on the 2017/18 figure.

26. Most people in Merseyside will pay ***Band A Council Tax of £51.04 or 98p per week towards their Fire & Rescue Service***.

Recruitment

27. Despite the need to reduce Firefighter numbers in the short term as part of the budget plan this Authority recognises that over the next decade that without any recruitment Firefighter numbers will reduce to just under 300 due to natural retirements. The loss of such experience and knowledge will bring major challenges for the Authority who will need to recruit between 250-300 firefighters by 2025. Any recruitment will be undertaken in a manner so as to meet the demands placed on the Authority.

28. In order to meet this challenge in a prudent and structured fashion the Authority has set aside a strategic reserve of £2.3m to support limited firefighter recruitment to ensure the recruitment approach reflects the financial plan and the competency requirements placed on the Authority.

Interoperability with Blue Light Partners

29. 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) Extensive joint planning and exercising.

30. 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

31. 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.

32. 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

33. 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.

34. 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.

35. 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

36. The Authority approves the Capital Programme as set out in CFO/004/18 which includes a total investment of over £31.946m over 2018/19 – 2022/23 period. The programme for 2018/19 shall be approved as £16.814m.

37. 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 £6.814m in 2018/19 as part of a total borrowing of £20.446m across the life of the plan.

38. 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

39. Following consideration of the report of the Treasurer (CFO/004/18) 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 2018/19 as follows.

40. Approves the capital expenditure programme for the financial year 2018/19 for the total of £16.814m as set out in report CFO/004/18 and the five year programme totalling investment of £31.946m, and in this respect notes the advice of the Treasurer that the programme is prudent, sustainable and the borrowing affordable.

41. The Authority resolves as follows:

(a) It be noted that on 22nd February 2018, the Authority calculated the Council Tax Base 2018/19 for the whole Authority area as 365,022.43 [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 2018/19 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 2018/19 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 £75.269m,

- 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 2018/19 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 2018/19 under S42A (2) (c) of the Act as £0.030m,

- 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 2018/19 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 £47.353m,

- 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 £4.832m.

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 2018/19 is £27,946,117 and the council tax base is 365,022.43, which is equal to £76.56 precept for a Band D property. This calculation meets the requirements under S42B of the Act.

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

2018/19	Property Band		Increase	
£			£	%
£51.04	For properties in Band	A	1.48	2.99
£59.55	For properties in Band	B	1.73	2.99
£68.05	For properties in Band	C	1.97	2.98
£76.56	**For properties in Band**	**D**	**2.22**	**2.99**
£93.57	For properties in Band	E	2.71	2.98
£110.59	For properties in Band	F	3.21	2.99
£127.60	For properties in Band	G	3.70	2.99
£153.12	For properties in Band	H	4.44	2.99

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

PRECEPT		AUTHORITY
£		
7,975,334	Payable by	LIVERPOOL
7,063,112	Payable by	WIRRAL
3,871,103	Payable by	ST.HELENS
6,349,848	Payable by	SEFTON
2,686,720	Payable by	KNOWSLEY
27,946,117		

44. The Authority requests the Treasurer to arrange for precepts to be issued to the constituent district councils pursuant to S40 of the Act before 1st March 2018, such sums to be payable by 10 equal instalments on or before the following dates:

Friday	20th April 2018
Wednesday	30th May 2018
Thursday	5th July 2018
Friday	10th August 2018
Tuesday	18th September 2018
Wednesday	24th October 2018
Thursday	29th November 2018
Wednesday	9th January 2019
Thursday	14th February 2019
Friday	15th March 2019

45. The Authority notes that The Treasurer has advised that the 2018/19 budget is based upon robust estimates.

Appendix A – 2018/19 Budget & Financial Plan to 2022/23

2018/19 - 2022/23 FINANCIAL PLAN	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000
Expenditure in Current MTFP:	59,068	59,537	60,792	62,187	63,662
Add					
Approved Support Service Savings - re-phasing	178	22	2	7	7
Approved 2017/18 inflation saving ahead of planned phasing	-50	-15	0	0	0
Compensation Grant for under-indexing increase in Business Rates by higher Sept 2017 RPI factor	-178	-339	-339	-339	-339
Anticipated higher S31 NNDR for other BR relief grant	-50	-50	-50	-50	-50
Application Team Growth in Establishment / other	329	233	223	100	100
ESMCP ongoing ICT investment / support (IF s31 grants not forthcoming) 2019/20		95	95	95	95
2017/18 Firefighter Pay-Assume 2%, (increase of 1%)	320	320	320	320	320
Assume ALL staff receive 2% Pay increase from 2018/19	355	797	881	881	881
Updated MTFP	59,972	60,600	61,924	63,201	64,676
FUNDING					
Government Funding-Settlement Funding Assessment					
Top Up Grant . Post 19/20 uplift by 2% (Bus Rates inflationary uplift assumption)	-15,273	-15,574	-15,885	-16,203	-16,527
CLG Estimate of Local Business Rate Share Post 19/20 uplift by 2%	-4,096	-4,225	-4,310	-4,396	-4,484
Baseline Funding Level	-19,369	-19,799	-20,195	-20,599	-21,011
RSG (assume frozen at 2019/20 levels from 2020/21	-12,050	-11,000	-11,000	-11,000	-11,000
Total Government Funding (*NOT Known beyond 2019/20*)	-31,419	-30,799	-31,195	-31,599	-32,011
Adjustment for Business Rates based on NNDR1 District Forecasts					
Adjustment for Local Business Rate income forecast from Districts to CLG	-83	0	0	0	0
NNDR Collection Fund (surplus)/deficit	-34	0	0	0	0
Adjustment to Local Business Rates income forecast	-117	0	0	0	0
Council Tax -					
Base Precept Income	-27,136	-27,946	-29,067	-29,939	-30,837
Assume just under 3% rise year on year in 18/19 & 19/20 then 2%	-810	-842	-581	-599	-617
Assume increase in Council Tax Base of 1.0% each year from 2018/19 to 2021/22	0	-279	-291	-299	0
Council Tax Collection Fund (surplus)/deficit	-219	0	0	0	0
Forecast Council Tax Income	-28,165	-29,067	-29,939	-30,837	-31,454
TOTAL FUNDING	-59,701	-59,866	-61,134	-62,436	-63,465
Impact of Changes on 2017/18 Original MTFP Forecast Net Position (surplus) / deficit	271	734	790	765	1,211
New Saving Options to Consider:					
Review 2018/19 Inflation Provision	-50	-75	-100	-125	-150
Invest to Save Reserve to cover application investment 18/19-20/21	-329	-233	-223		
Support Services Review		-426	-426	-426	-426
(Use of) / Contribution to Smoothing Reserve - reduced planned use from £406k to £298k	108				
Impact on Forecast Net Position (surplus) / deficit	0	0	41	214	635

Appendix B- Reserves

Forecast Movement on Reserves 2017/18 - Future Years

	Anticpated 2017/18 Closing Balance	2018/19	2019/20	2020/21	2021/22	2022/23	Future Years	Balance
Earmarked Reserves	**£'000**							
Emergency Related Reserves								
Bellwin Reserve	147						-147	0
Insurance Reserve	700		-100	-100	-150	-150	-200	0
Emergency Planning Reserve	75						-75	0
Catastrophe Reserve	100						-100	0
Modernisation Challenge								
Smoothing Reserve	1,806	-298	-754	-754			0	0
Ill Health Penalty Reserve	500		-125	-125	-125	-125	0	0
Recruitment Reserve	2,256	-405	-150	-250	-750	-701	0	0
Capital Investment Reserve								
Capital Investment Reserve	11,314	-3,737	-3,610	-3,044	-923	0	0	0
PFI Annuity Reserve	2,094	-91	-91	-91	-91	-91	-1,639	0
Equality / DDA Investment Res	285		-285				0	0
Invest to Save Reserve	1,000	-329	-233	-223	-215		0	0
Specific Projects								
Community Sponsorship Res	2		-2				0	0
Equipment Reserve	276		-276				0	0
Contestable Research Fund Res	24		-24				0	0
Training Reserve	450		-200	-200	-50		0	0
Healthy Living / Olympic Legacy	40		-40				0	0
Inflation Reserve	500	-400					-100	0
Clothing / Boots Reserve	58		-58				0	0
Ringfenced Reserves								
Princes Trust Reserve	92		-92				0	0
Community Risk Management	320		-320				0	0
Energy Reserve	141		-40	-40	-61		0	0
New Dimensions Reserve	1,099		-250	-250	-250	-349	0	0
Total Earmarked Reserves	**23,279**	**-5,260**	**-6,650**	**-5,077**	**-2,615**	**-1,416**	**-2,261**	**0**
General Revenue Reserve	**2,000**							**2,000**
Total Reserves	**25,279**	**-5,260**	**-6,650**	**-5,077**	**-2,615**	**-1,416**	**-2,261**	**2,000**

6. Structural Firefighting PPE And Technical Rescue Jackets

Members considered report CFO/017/18 of the Chief Fire Officer informing Members of the arrangements currently in place for the issue of structural firefighting Personal Protective Equipment (PPE) and to approve the proposals to revert back to individual issue of PPE and an initial issue of Technical Rescue Jackets.

Members were advised that the existing contract for structural firefighting PPE is due to expire, therefore the Authority need to retender for a new contract. As the value of this contract will exceed £250,000, Member approval is required.

Members were informed that the PPE ensemble consists of a fire tunic, over trousers, helmet, boots and gloves. Each station holds a stock of 1.6 fire tunics and over trousers per firefighter. Pooled stock was introduced some years ago as an efficiency saving; and when a firefighter needs to replace a tunic or trousers for cleaning or repair they draw a replacement garment from the station stock.

Members were advised that there can be issues with sizes, resulting in ill-fitting PPE, particularly for women, which is something that needs to be resolved. The proposal is to revert back to issuing 2 sets of individual PPE to every firefighter which will alleviate the issue of ill-fitting PPE, albeit at an increased cost. In order to minimise the cost of new PPE, it will be used in conjunction with existing PPE until the equipment is due for refresh. It is proposed that 325 sets of new PPE will be initially purchased at an estimated additional cost of £143,000. It is anticipated that these additional costs can be contained within the revenue budget.

Members were informed of the proposal to issue 2 Technical Rescue Jackets (TRJ) for all operational staff. Research has indicated that for operational incidents not requiring the use of full structural firefighting PPE, such as Road Traffic Collisions, there is less practicality and more discomfort to staff wearing structural firefighting tunics with the additional high visibility jacket. As a result several Authorities have moved to a combined working tunic, known as a TRJ. The cost of the issue of TRJs will be met from existing budgets, therefore it is recommended that our crews are issued with TRJs to increase their comfort levels and dexterity when attending technical rescue incidents.

Members resolved that;

a. the requirement for a North West competitive tender process to take place in 2018, be noted.

b. a change of issue from the current pooled stock arrangement to individual issue, be approved. (Proposal 1)

c. the additional purchase of a lightweight working rig tunic suitable for non-fire related activity which will be purchased off a current North West framework, be approved. (Proposal 2)

7. National Framework and Fire and Rescue Service Inspection Consultation

Members considered report CFO/013/18 of the Chief Fire Officer, informing them of the development of the new draft National Framework and the Fire and Rescue Service Inspection Framework; and to provide details of the Authority's response to both consultations.

Members were informed that there is requirement for a Fire and Rescue National Framework, as it sets priorities and objectives for fire and rescue authorities (FRAs) in England. The National Framework was last updated in 2012 and the Home Office has determined that changes are required which warrant a full revision of the Framework to embed the fire reform programme, such as the creation of a new inspectorate for fire and rescue services and the creation of the National Fire Chiefs Council. The new draft Framework also reflects the provisions in the Policing and Crime Act 2017 on emergency services collaboration and changes to fire and rescue governance.

The Home Office proposes the priorities and objectives for FRA's, as set by the National Framework Document to:

- identify and assess the full range of foreseeable fire and rescue related risks their areas face;
- make appropriate provision for fire prevention and protection activities and response to fire and rescue related incidents;
- collaborate with emergency services and other local and national partners to increase the efficiency and effectiveness of service provision;
- be accountable to communities for the service they provide; and
- develop and maintain a workforce that is resilient, skilled, flexible and diverse.

A response to the consultation has been submitted to the Home Office by Officers who had reviewed the proposed provisions of the National Framework.

Members were then advised that in July 2017, Her Majesty's Inspectorate of Constabulary's (HMIC) remit was extended to include inspections of Fire and Rescue Authorities in England. It is now known as Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS). The FRS inspection programme is intended to enable HMICFRS to draw together evidence from inspections of all 45 FRSs in England.

The categories of graded judgment will be:

- outstanding;
- good;
- requires improvement; and
- inadequate

Following the outcomes for the consultation and three pilot inspections, it is intended that the full inspection programme will be carried out in three tranches

commencing in summer 2018. There will be 15 FRA's in each tranche and MFRA is in the second tranche scheduled for autumn/winter 2018.

Officers have reviewed the proposed inspection framework and submitted a consultation response to HMICFRS, which states that 'we believe that the suggested approach is the best one for the FRA and HMICFRS in the first instance as it will result in HMICFRS acquiring a wide range of rounded knowledge about FRSs'.

Members resolved that:

the details of the draft National Framework and Fire and Rescue Inspection framework and the MFRA response to consultation on both proposals, be noted.

8. Provision of Trauma Services

Members considered report CFO/014/18 of the Clerk to the Authority requesting that they agree to the award of contract for Trauma Care Training Services which will develop and qualify personnel to respond to trauma care casualties involved at incidents, including emergency medical response.

Members were informed that MFRA currently train operational personnel with First Person on Scene at an Intermediate Level (FPOSI). The training is delivered in a practical setting and within a simulated emergency medical environment, which reflects the challenges our firefighters face at an incident.

To support the ongoing provision of training, an open tender process was undertaken, tendering for an initial three year period, with the option to extend for another two years. The tender evaluation exercise sought to balance the issues of quality and price to ensure that the chosen supplier offered the most economically advantageous tender for the Authority. The Authority evaluated the tenders based on Quality and Cost.

Members were reminded that the specification for this provision included Corporate and Social Responsibility (CSR), organisational values and equality and diversity requirements appropriate to the provision and these were weighted and scored as part of the evaluation process. Part of Frontier Risk Group's tender submission included community engagement and flexible learning. The expenditure over the duration of the proposed contract is anticipated to be the region of £264,450.

Members resolved that:

the provision and the award of the contract for Trauma Care Training Services to Frontier Risk Group for the period 23rd March 2018 to 23rd March 2021 with a possible two year extension thereafter, be approved.

Close

Date of next meeting Date Not Specified