



DEVON & SOMERSET FIRE & RESCUE AUTHORITY

**M. Pearson
CLERK TO THE AUTHORITY**

**To: The Chair and Members of the Devon &
Somerset Fire & Rescue Authority**

(see below)

**SERVICE HEADQUARTERS
THE KNOWLE
CLYST ST GEORGE
EXETER
DEVON
EX3 0NW**

Your ref :
Our ref : DSFRA/MP/SY
Website : www.dsfire.gov.uk

Date : 21 June 2021
Please ask for : Steve Yates
Email : syates@dsfire.gov.uk

Telephone : 01392 872200
Fax : 01392 872300
Direct Telephone : 01392 872329

DEVON & SOMERSET FIRE & RESCUE AUTHORITY

(Ordinary Meeting)

Tuesday, 29 June, 2021

A meeting of the Devon & Somerset Fire & Rescue Authority will be held on the above date, **commencing at 10.30 am (or on the conclusion of the preceding Annual Meeting, whichever is the later) in the Chiefs Suite, Sandy Park, Exeter** to consider the following matters.

M. Pearson
Clerk to the Authority

AGENDA

PLEASE REFER TO THE NOTES AT THE END OF THE AGENDA LISTING SHEETS

1 Apologies

2 Items Requiring Urgent Attention

Items which, in the opinion of the Chair, should be considered at the meeting as matters of urgency.

PART 1 - OPEN COMMITTEE

3 Questions and Petitions from the Public

In accordance with [Standing Orders](#), to consider any questions and petitions submitted by the public. Questions must relate to matters to be considered at this meeting of the Authority. Petitions must relate to matters for which the Authority has a responsibility or which affects the Authority. Neither questions nor petitions may require the disclosure of confidential or exempt information. Questions and petitions must be submitted in writing or by e-mail to the Clerk to the Authority (e-mail address: clerk@dsfire.gov.uk) **by midday on Thursday 24 June 2021.**

4 Addresses by Representative Bodies

To receive addresses from representative bodies requested and approved in accordance with Standing Orders.

5 Questions from Members of the Authority

To receive and answer any questions submitted in accordance with Standing Orders.

6 Minutes of Committees

a Human Resources Management & Development Committee (Pages 1 - 6)

The Chair of the Committee to **MOVE** the Minutes of the meeting held on 3 March 2021 (attached).

RECOMMENDATION that the Minutes be adopted in accordance with Standing Orders.

b Audit & Performance Review Committee (Pages 7 - 12)

The Chair of the Committee to **MOVE** the Minutes of the meeting held on 5 March 2021 (attached).

RECOMMENDATION that the Minutes be adopted in accordance with Standing Orders.

c Community Safety & Corporate Planning Committee (Pages 13 - 18)

The Chair of the Committee to **MOVE** the Minutes of the meeting held on 8 March 2021 (attached).

RECOMMENDATION that the Minutes be adopted in accordance with Standing Orders.

d Appraisals & Disciplinary Committee (Pages 19 - 20)

The Chair of the Committee to **MOVE** the Minutes of the meeting held on 24 March 2021 (attached).

RECOMMENDATION that the Minutes be adopted in accordance with Standing Orders.

7 **Strategic Policy Objectives 2021-22 (Pages 21 - 24)**

Report of the Chief Fire Officer (DSFRA/21/15) attached.

8 **Provisional Financial Outturn 2020-21 (Pages 25 - 42)**

Report of the Interim Treasurer (DSFRA/21/16) attached.

9 **Firefighters' Pension Scheme Immediate Detriment Cases - Further Considerations (Pages 43 - 46)**

Report of the Director of Governance & Digital Services (DSFRA/21/17) attached.

10 **Exclusion of the Press and Public**

RECOMMENDATION that, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in the following Paragraph(s) of Part 1 of Schedule 12A (as amended) to the Act:

- Paragraph 3 (information relating to the financial and business affairs of any particular person – including the authority holding that information); and
- Paragraph 5 (information in respect of which a claim to legal professional privilege could be maintained in legal proceedings).

PART 2 - ITEMS WHICH MAY BE TAKEN IN THE ABSENCE OF THE PRESS AND PUBLIC

11 **Disposal of former Topsham Fire Station - Further Considerations (Pages 47 - 64)**

Joint report of the Director of Governance & Digital Services and Legal Advisor (Plymouth City Council) (DSFRA/21/18) attached.

MEMBERS ARE REQUESTED TO SIGN THE ATTENDANCE REGISTER

Membership:-

Councillors Best, Biederman, Bown, Brazil, Buchan, Chesterton, Clayton, Coles, Corvid, Drean, Hannaford, Healey MBE, Long, McGeough, Napper, Parker-Khan, Peart, Prowse, Radford, Randall Johnson (Chair), Redman, Roome, Scott, Shayer, Thomas and Vijeh

NOTES

1. **Access to Information**

Any person wishing to inspect any minutes, reports or lists of background papers relating to any item on this agenda should contact the person listed in the “Please ask for” section at the top of this agenda.

2. **Reporting of Meetings**

Any person attending a meeting may report (film, photograph or make an audio recording) on any part of the meeting which is open to the public – unless there is good reason not to do so, as directed by the Chair - and use any communication method, including the internet and social media (Facebook, Twitter etc.), to publish, post or otherwise share the report. The Authority accepts no liability for the content or accuracy of any such report, which should not be construed as representing the official, Authority record of the meeting. Similarly, any views expressed in such reports should not be interpreted as representing the views of the Authority.

Flash photography is not permitted and any filming must be done as unobtrusively as possible from a single fixed position without the use of any additional lighting; focusing only on those actively participating in the meeting and having regard also to the wishes of any member of the public present who may not wish to be filmed. As a matter of courtesy, anyone wishing to film proceedings is asked to advise the Chair or the Democratic Services Officer in attendance so that all those present may be made aware that is happening.

3. **Declarations of Interests at meetings (Authority Members only)**

If you are present at a meeting and you are aware that you have either a disclosable pecuniary interest, personal interest or non-registerable interest in any matter being considered or to be considered at the meeting then, unless you have a current and relevant dispensation in relation to the matter, you must:

- (i) disclose at that meeting, by no later than commencement of consideration of the item in which you have the interest or, if later, the time at which the interest becomes apparent to you, the existence of and – for anything other than a “sensitive” interest – the nature of that interest; and then
- (ii) withdraw from the room or chamber during consideration of the item in which you have the relevant interest.

If the interest is sensitive (as agreed with the Monitoring Officer), you need not disclose the nature of the interest but merely that you have an interest of a sensitive nature. You must still follow (i) and (ii) above.

Where a dispensation has been granted to you either by the Authority or its Monitoring Officer in relation to any relevant interest, then you must act in accordance with any terms and conditions associated with that dispensation.

Where you declare at a meeting a disclosable pecuniary or personal interest that you have not previously included in your Register of Interests then you must, within 28 days of the date of the meeting at which the declaration was made, ensure that your Register is updated to include details of the interest so declared.

| | |
|-----------|--|
| | NOTES (Continued) |
| 4. | <p><u>Part 2 Reports</u></p> <p>Members are reminded that any Part 2 reports as circulated with the agenda for this meeting contain exempt information and should therefore be treated accordingly. They should not be disclosed or passed on to any other person(s). Members are also reminded of the need to dispose of such reports carefully and are therefore invited to return them to the Committee Secretary at the conclusion of the meeting for disposal.</p> |
| 5. | <p><u>Substitute Members (Committee Meetings only)</u></p> <p>Members are reminded that, in accordance with Standing Orders, the Clerk (or his representative) must be advised of any substitution prior to the start of the meeting. Members are also reminded that substitutions are not permitted for full Authority meetings.</p> |
| 6. | <p><u>Other Attendance at Committees)</u></p> <p>Any Authority Member wishing to attend, in accordance with Standing Orders, a meeting of a Committee of which they are not a Member should contact the Democratic Services Officer (see “please ask for” on the front page of this agenda) in advance of the meeting.</p> |

This page is intentionally left blank

HUMAN RESOURCES MANAGEMENT & DEVELOPMENT COMMITTEE

(Devon & Somerset Fire & Rescue Authority)

3 March 2021

Present:

Councillors Hannaford (Chair), Best, Peart, Thomas, Wheeler and Vijeh (Vice-Chair).

Apologies:

Councillor Clayton.

* HRMDC/19 **Minutes**

The Minutes of the meeting held on 14 December 2020 were approved as a correct record.

* HRMDC/20 **Health, Safety and Wellbeing Progress Report**

The Committee received for information a report of the Deputy Chief Fire Officer and Director of Governance & Digital Services (HRMDC/21/1) that set out the progress made in respect of monitoring the health, safety and wellbeing of staff during 2020-21.

The following key points were highlighted:

Proactive monitoring:

- there had not been any progress made since the previous meeting in October 2020 on moving forward the actions in the Service Safety Management Systems audit due to the spike in Covid-19 in January 2021. 67% of areas reviewed had been identified as compliant with the Service was working towards the 26% outstanding and this remained the position to date in 2020-21. The Service would be looking at the risks associated with the remaining actions and then work through the high risk areas;
- Workplace (Health and Safety) Inspection & Assessments – this was now 84% completed in quarter 3 of 2020-21 as compared with 55% in quarter 2 which was very positive. The chart now showed the target as 100% as requested by the Committee at its meeting in October 2020;

Reactive monitoring:

- Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) – there had been an increase in reporting of RIDDOR events in quarter 3 of 2020-21 with 6 Occupational Disease reports submitted to the Health and Safety Executive (HSE). This was due to the Covid-19 pandemic and the increased risk at incidents. Each incident had been investigated carefully and the HSE was content with the outcomes and the Service's response to the pandemic;

- Personal injuries – the trend line showed this area had decreased over the past four years as the approach taken was to report and investigate all injuries to seek learning points so this was a very positive position. Sprains, strains and musculoskeletal were the primary injuries received which was reflected with other fire & rescue services;
- Vehicle incidents showed a reduction in 2020-21 to quarter 3 with 32 reported as compared with 75 in 2019-20. The Occupational Road Risk Group met quarterly to review vehicle related incidents and take action as appropriate which could include corrective measures such as driver training;
- The Health & Safety team continued to provide advice, guidance and support to the Service's response to the Covid-19 pandemic and thus high volumes of work continued. As a result, the Service was looking to outsource some elements of this work to assist workloads such as on vibration assessments.

The interim Head of Human Resources advised the Committee that sickness absence continued to be below the target of 8 days per person/shifts lost in quarter 3 of 2020-21 at 6.0 days, a reduction of 16.4%. On Call sickness absence was higher than other staff categories, however, at 9.61 days although this was measured over a 7 day period rather than shifts lost or working days. She added that the overall trend for absence had continued to decrease due to Covid-19 largely but the Service could not rely on this to be the rationale so would be looking in detail at the figures and how this was managed. There had been an increase in areas such as mental health, however, due to Covid-19 and the isolation factor associated with working at home. The Service would be reviewing the absence figures in depth with a view to providing additional information in future reports.

The Committee drew attention to the following points in particular:

- how previous Authority decisions had improved the Health & Safety of staff. A briefing paper was requested to cover the way in which previous Authority decisions such as approval of capital budget for vehicles and equipment had resulted in a safer working environment. The Deputy Chief Fire Officer advised that new Breathing Apparatus had been rolled out to all stations funded by capital reserves and that new, smaller vehicles such as Rapid Intervention Vehicles (RIVs) and Light Rescue Pumps (LRPs) carried lighter, modern equipment that should result in decreased musculoskeletal injuries. The Service was also funding new escape hoods as a result of the Grenfell recommendations and these were going on all frontline appliances.

- vehicle incidents – more detailed information was requested on what the different types of incidents were. The Health & Safety Manager advised that a new system was being developed which would do this. He added that lot of vehicle collisions were due to narrow streets, scraping appliance bays or hedges and low level slow speed manoeuvring incidents. The nature of the incident dictated the level of investigation. This information could be captured in future reports to the Committee;
- whether the Service could sustain some of the benefits gained during the lockdowns in the Covid-19 pandemic. The Health & Safety Manager advised that he would like to see the more safety conscious environment and mind set continuing in future years but this required cultural change as well to achieve a positive safety culture. The Deputy Chief Fire Officer advised that Covid marshalls had been introduced on all stations. It was hoped this would translate into Health and Safety representatives on all stations in future to keep up the positive work undertaken.

* **HRMDC/21** **People Strategy Update**

The Committee received for information a report of the Deputy Chief Fire Officer (HRMDC/21/2) that set out the progress made to date with implementation of the Service's People Strategy.

It was noted that there had been good progress made with implementation of many areas of the Strategy. A review had been carried out to determine key actions that would make the difference between improvement and transformation in order to achieve the outcomes set out within the Strategy which were being called "game changers". The report, together with a presentation made at the meeting, set out the key actions taken, including:

Leadership:

- A talent management system had been introduced;
- A comprehensive, curated approach to how the Service developed its future leaders underpinned by the National Fire Chief Councils (NFCCs) Leadership Framework;
- Working with leaders and managers to create a common message about the Service's culture.

Learning & Development:

- Ensuring people feel safe through the "Safe To" initiative, including learning from our experiences, successes and mistakes and sharing ideas to make things better;
- Developing non-technical skills through curating learning content and allowing people to take ownership of their personal development in line with their role and their aspirations; and

- Technical competency through utilising expertise as a technical training partner provider to maximise efficiency of the apprenticeship levy together with ensuring Safe Professional and High performing operational teams through a focus on competence, discipline and performance, underpinned by an engaged safety culture.

Inclusion:

- The intervention programme “Safe To” provided the tools to make inclusion a reality through deliberate behaviours including the development of a toolkit to promote Fairness and Respect;
- To improve workforce diversity the Service had instigated a clear focus on positive action in Firefighter recruitment and development through paying attention to how communities view us as an employer, a new ‘always open’ approach to recruitment and accessible practical assessment facilities; and implemented the ‘Our Time’ sponsorship programme;
- The Service continued to consider “People by Design” through planning and implementing involvement and engagement in change and improvement, assessing impacts on people and working towards a ‘value for people’ approach to complement ‘value for money’

Ways of Working:

- Smarter Working – developing a people led approach to a more agile and flexible workplace, with collaborative virtual working, easier access to information, and an emphasis on collaborative workspace rather than desk space, and less commuting miles;
- Work on governance processes to support more visible planning and performance to give people more effective tools for greater collaboration and alignment; and
- Transforming people services to ensure the delivery of expertise and support in the most effective and efficient way.

Health, Safety & Wellbeing:

- As part of the “Safe To” initiative to learn, contribute and challenge intervention, developing an engaged safety culture based on best practice from military aviation and a learning teams approach to incident debrief;
- Working with partners, developing a Wellbeing Strategy and Charter which will set out levels of new and existing proactive and reactive wellbeing interventions; and
- Immediate support provided through the Covid19 Welfare Cell.

The Committee made reference to bullying in the Service and Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) report which had mentioned this matter. The Deputy Chief Fire Officer advised that a lot of work had been undertaken on this and the Service including the "Safe To" approach referenced above. In Covid-19, an audit had been undertaken by the HMICFRS which had demonstrated a noticeable reduction in the level of staff who felt they had been bullied. The Deputy Chief Fire Officer indicated that he would bring a report to the next meeting to update on specifically on the 'Safe To' intervention.

Reference was also made to the Service's position on fitness testing. The Deputy Chief Fire Officer advised that a meeting was scheduled with HMICFRS on 3 March 2021 to close the cause for concern hopefully that the Service received in 2019. Fitness testing had improved by 13% in 2020-21 so this was very positive. The Covid-19 pandemic had impacted as a range of fitness tests had been offered previously but this had to be limited to 2 in Covid. The Deputy Chief Fire Officer undertook to report the result of the HMICFRS cause for concern at the next meeting of the Committee and to the Fire & Rescue Authority.

* **HRMDC/22 Applications for Retirement and Re-employment**

The Committee considered a report of the Deputy Chief Fire Officer (HRMDC/21/3) that set out two applications for retirement and re-employment made in accordance with the Authority's Pay Policy Statement for 2020-21.

RESOLVED that the applications for retirement and re-employment as identified in paragraph 2.4 of report HRMDC/21/3 be approved.

***DENOTES DELEGATED MATTER WITH POWER TO ACT**

This page is intentionally left blank

AUDIT & PERFORMANCE REVIEW COMMITTEE

(Devon & Somerset Fire & Rescue Authority)

5 March 2021

Present:

Councillors Healey MBE (Chair), Buchan, Clayton, Napper, Prowse (Vice-Chair) and Saywell

In attendance:

Andrew Davies – Grant Thornton (the Authority's External Auditors)

* **APRC/38** **Minutes**

RESOLVED that the Minutes of the meeting held on 19 November 2020 be approved as a correct record.

* **APRC/39** **External Audit Progress Report and Sector Update**

The Committee received, for information, an external audit progress report and sector update from Grant Thornton (the Authority's external auditor) covering, amongst other areas:

- A summary of emerging national and sector issues and developments relevant to the fire & rescue service;
- An update on progress made up to February 2021;
- Details of a change in engagement lead from Aditi Chandramouli to Andrew Davies;
- The 2020-21 audit deliverables;
- Details of The Redmond review, the Independent Review into the Oversight of Local Audit and the Transparency of Local Authority Financial Reporting which was published on 8 September. One of the key recommendations of this review was to move back to a September deadline for Local Authorities for publishing audited local authority accounts be revisited with a view to extending it to 30 September from 31 July each year.
- The changes to the Value for Money (VFM) assessment process as a result of the introduction of a new Code of Practice by the National Audit Office (NAO), introducing a new "Auditor's Annual report"; and

It was noted that there were three main changes arising from the NAO's new approach, namely:

- A new set of key criteria, covering governance, financial sustainability and improvements in economy, efficiency and effectiveness;

- More extensive reporting, with a requirement on the auditor to produce a commentary on arrangements across all of the key criteria, rather than the current 'reporting by exception' approach; and
- The replacement of the binary (qualified /unqualified) approach to VfM conclusions, with far more sophisticated judgements on performance, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

The new approach to VFM would refocus work to provide more timely reporting and clearer recommendations in order to assist local authorities to improve.

NB. Minute APCR/40 below also refers.

* **APRC/40**

External Audit Plan 2020-21

The Committee received for information an external audit plan for the year ending 31 March 2021 from the Authority's auditors, Grant Thornton. The Plan provided the scope and timings for the statutory audit of Devon & Somerset Fire & Rescue Authority's financial statements. It also identified, amongst others, areas of significant risks for the Service, issues of materiality and details of Value for Money arrangements.

The Committee noted that, for the audit, Grant Thornton would be focussing on four significant risks as identified within the report which were:

- Revenue recognition (rebutted);
- Management override of controls;
- The valuation of land and buildings; and
- The valuation of pension fund net liability.

Attention was also drawn to the Value for Money arrangements and in particular, financial sustainability. ISA540 was also highlighted as the key question was how the Authority understood, challenged and managed estimates going into the Statements of Assurance. It was noted that Grant Thornton had produced a document that set out how estimates were calculated for guidance.

Reference was made to the materiality level which had been set at £1.850m (2% of gross expenditure) which reflected the auditor's good experience of working with this Authority and the robust accounts that it prepared. A lower materiality figure of £20k had also been set in respect of senior officers' pay.

The report also set out the level of proposed audit fees for the 2020-21 audit of financial statements which had been set at £31291.

*NB. Minute *APRC/39 above also refers.*

* **APRC/41** **Group Accounts for Devon & Somerset Fire & Rescue Authority and Red One Ltd.**

The Committee considered a report of the Director of Finance & Resourcing (Treasurer) (APRC/21/1) that set out the position in respect of the provision of group accounts for the Authority's trading company, Red One Limited in 2020-21.

Under the Chartered Institute for Public Financial Accountants Code of Practice, the Authority was able to take a view on materiality when presenting group accounts. Following discussion with the external auditor, Grant Thornton, it was the Treasurer's view that the activities of Red One Limited were not material to the Authority's Statement of Accounts and therefore, it was recommended that the accounts were not consolidated.

It was noted that this position may change in the 2021-22 accounts due to the expected increase in turnover for Red One Limited in future.

RESOLVED that the accounts of Red One Limited be not consolidated into group accounts for the 2020/21 financial year.

NB. Councillor Saywell declared a personal interest in this matter by virtue of being an Authority appointed Non-Executive Director on the Board of Red One Limited. Councillor Saywell neither spoke nor voted on this item.

* **APRC/42** **Audit & Review 2020-21 Progress Report**

The Committee received for information a report of the Director of Governance & Digital Services (APRC/21/2) that set out the progress made to date by the Service against the approved 2020-21 Internal Audit Plan and which also provided an update on any additional reviews undertaken.

The following points were also highlighted:

- 4 audits were in progress as set out in the report;
- A draft report on psychological safety was now completed;
- One report was available on Operational Training in the Academy although there was nothing to indicate inclusion in the Authority's Annual Statement of Assurance; and
- the efforts of the Risk & Insurance team in supporting the work under the audits was highlighted.

* **APRC/43** **2021-22 Draft Internal Audit Plan**

The Committee considered a report of the Director of Governance & Digital Services (APRC/21/3) identifying the proposed Internal Audit Plan for 2021-21. The Plan was divided into audits to be undertaken on an annual cycle by both internal resources (115 days) and the Devon Audit Partnership (117 days) on a risk based approach. The report set out a high level summary of what was proposed and it was confirmed that this was within the budget set by the Fire & Rescue Authority at its meeting in February 2021. The Plan was subject to flexibility if emerging risks arose.

Reference was made to the position on fitness testing which had been a cause for concern identified by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) and was subject to review currently. HMICFRS would be looking carefully at whether the changes made by the Service had impacted. Additionally, it was noted that there was work being undertaken on application of learning, such as on the Grenfell recommendations with a lot of work on planning and continuous improvement.

RESOLVED that the 2021-21 Internal Audit Plan as appended to report APRC/21/3 be approved.

* **APRC/44** **2020-21 Draft Annual Statement of Assurance**

The Committee considered a report of the Director of Governance & Digital Services (APRC/21/4) to which was appended the draft Annual Statement of Assurance for 2020-21.

The Statement had been prepared to comply with the requirements of the Accounts and Audit (England) Regulations 2015 and the latest version of the Fire and Rescue National Framework and examining organisational systems of internal financial control, corporate governance along with operational assurance.

RESOLVED that the draft Annual Statement of Assurance 2020-21 as appended to report APRC/21/4 be approved in principle and submitted to the External Auditor alongside the draft Statement of Accounts for the same financial year.

* **APRC/45** **Corporate Risk Register**

The Committee received for information a report of the Director of Governance & Digital Services (APRC/21/5) that set out the organisational risks, both strategic and operational, together with the associated mitigations and the actions taken to ensure that this was managed appropriately and proportionately.

The Head of Organisational Assurance advised the Committee that the Service had not only been dealing with the Covid-19 pandemic but also a No Deal Brexit. A lot of work had been carried out by the Team on risk in 2020-21, including horizon scanning and looking at department registers. The Team would be looking at how well things were embedding shortly.

The Committee acknowledged the excellent work undertaken by the Assurance Team and particular thanks were expressed to Sue Nugent and Ainslie Bird for their hard work during the pandemic. The Director of Governance & Digital Services echoed these comments as this had been an extraordinary year and the Assurance Team had played a pivotal role during the pandemic which, as small team, had been under a lot of pressure.

* **APRC/46** **Her Majesty's Inspectorate of Constabulary & Fire & Rescue Services**
Inspection Progress Update

The Committee received for information a report of the Director of Service Improvement (APRC/21/6) that set out the Service's current progress against the identified recommendations made by Her Majesty's Inspector of Constabulary and Fire & Rescue Services (HMICFRS) in its Inspection Report of 2019.

The report identified in the Appendix attached, via a Red, Amber, Green (RAG) rating the progress made to date with the 24 actions identified HMICFRS. There were only 5 recommendations in which there were outstanding actions and the report set out the progress made against them to date.

It was noted that HMICFRS had also undertaken a Covid-19 inspection recently and the Service had received a good response, maintaining its statutory duties throughout. Attention was drawn to the point that the Service had been instrumental in assisting the National Fire Chiefs' Council (NFCC) on its guidance in respect of On Call pay protection.

There were two areas of focus for the Service arising out of this inspection, namely:

- light touch – to ensure that innovative ways of working were built into Service planning going forward. A Portfolio Office had been established which would cover all of the recommendations made funnelling this through into one point of contact; and
- to ensuring greater productivity from Wholetime Firefighters – the Service would be looking carefully at this to find the best way forward.

It was also noted that HMICFRS was back in Service at present to review the progress made on the cause for concern on Firefighter fitness. HMICFRS would be reporting back to the Service on this in due course.

***DENOTES DELEGATED MATTER WITH POWER TO ACT**

The Meeting started at 9.30 am and finished at 10.30 am

This page is intentionally left blank

COMMUNITY SAFETY & CORPORATE PLANNING COMMITTEE

(Devon & Somerset Fire & Rescue Authority)

8 March 2021

Present:

Councillors Redman (Chair), Colthorpe, Radford, Trail BEM and Wheeler (vice Corvid)

Apologies:

Councillors Corvid and Eastman

* **CSCPC/15** Minutes

RESOLVED that the Minutes of the meeting held on 11 December 2020 be approved as a correct record subject to amendment under Minute CSCPC/14 - paragraph 2 in the third sentence as follows:

“Of the 18 internal actions which were outstanding, 13 would be completed by 31 December 2020 with the remaining 5 by 1 April 2021”.

* **CSCPC/16** Safer Together Programme Update

The Committee received for information a report of the Director of Service Improvement (CSCPC/21/1) which provided a high level overview and update on the progress made with the Service’s “Safer Together” Programme.

The Programme consisted of the following key workstreams:

- Service Delivery Operating Model (SDOM);
- Fleet & Equipment Replacement;
- Data and Digital Transformation; and
- People Development.

The report gave an overview of the progress made in each of these areas based on a Red, Amber and Green (RAG) rating as requested at the previous meeting (Minute CSCPC/13 refers).

The Director of Service Improvement advised that the Programme Team had made very good progress with the projects given the current circumstances with the third lockdown due to the Covid-19 pandemic. The key points highlighted were:

SDOM:

- Topsham and Budleigh Salterton fire station closures and associated moves were completed;
- Replacement of the third fire engines with a Light 4x4 Rescue Pump (L4P) at Taunton and Torquay had been completed and Bridgwater and Yeovil to follow shortly;
- The removal of the second fire appliances from Crediton, Lynton, Martock and Totnes had all been completed;

- The Pay for Availability (P4A) project was rolling out well with 4 groups of stations already moved over to this model and 6 stations were in the process of transitioning onto risk dependent availability too;
- A review of the approach to roving appliances was being undertaken currently to ensure that the Service could make the most of any excess capacity within Wholetime watches.

Fleet & Equipment Replacement:

- Medium Replacement Pump (MRP) replacement was moving forward and the stowage exercise had been completed with the supplier, E1, recently;
- The first Wildfire and All Terrain Vehicles (ATVs) were on the run at Bovey Tracey now;
- Asset management was on track.

Digital Transformation:

- The Management of Risk Information (MORI) Protection app which would enable increased capability in case management of the Service's business safety activity was progressing well; and
- Work on the data architecture required to support digital transformation was complex but was being developed in an agile approach to ensure flexibility for the future.

People Development:

- This project had progressed very well and it was hoped to close this shortly and to move into business as usual. The work undertaken included the instigation of development pools for crew managers to the Service Leadership Team and the procured of MindTools recently.

The Chair of the Committee expressed thanks to officers for including the RAG rating. He added that it would also be useful to have contrasting text on the coloured backgrounds and a key to the RAG rating in future reports. He also suggested a list of acronyms be included as part of a briefing for new members of the Authority.

In terms of the SDOM workstream, it was noted that there seemed to be a number of places where things were being reviewed such as latent capacity. The Director of Service Improvement advised that the projects undertook gateway reviews as normal practice. With roving appliances, there was a need to ensure this was the best it could be so the Service was looking at latent capacity and vehicle types to ensure it would be sustainable. The Chair requested that this matter be reported to the Committee as a separate item to the next meeting.

Reference was also made to the rollout of various new appliances and the question was raised as to whether any feedback had been received from Firefighters. The Director of Service Improvement replied that the Service was still gathering feedback. The new ATV had been instigated at Bovey Tracey recently, however, and the crew seemed excited to receive it. The Committee would be kept up to speed with any feedback received although it was noted that the Service was engaging currently with all stations on the Fleet Plan as a whole. The Chair requested an update at the next meeting on any feedback received.

In response to a question on selective alerting, the Director of Service Improvement advised the Committee that this went hand in hand with Pay for Availability (P4A) and the Service would only be alerting those Firefighters that were required. The Project Team was working through the requirements and there would be a trial implemented initially. The Deputy Chief Fire Officer added that P4A would not work correctly as a concept without selective alerting and the Service had undertaken a lot of engagement with Representative Bodies on this.

* **CSCPC/17** **Grenfell Recommendations Progress Report**

The Committee received, for information, a report of the Director of Service Delivery (CSCPC/21/2) on the progress made by the Service in implementing the recommendations arising from the Grenfell Phase 1 Inquiry. The report also provided an update on the use of the additional Building Risk Review grant funding.

It was noted that a total of 44 recommendations were made as a result of the Grenfell Inquiry. These were split into external and internal actions. The external actions required collaboration with external partners including the National Fire Chiefs Council (NFCC) together with changes in legislation. There were 18 external actions, none of which had been completed but 4 of these were on track with 14 slightly off track as these were awaiting the instigation of legislation by the Government.

There were 26 internal actions of which 6 had been completed to date. Of the 20 outstanding actions, 13 were on track with the remaining 7 slightly off track.

The Service had received grant funding totalling £455,125 to support the outcomes of Grenfell in addition to general improvements in fire safety standards and outcomes as follows:

- Building Risk Review Programme (£60,000);
- Protection Uplift Programme Grant (£256,909); and
- Grenfell Infrastructure Fund (£138,216).

The Building Risk Review Programme had been developed to support Fire and Rescue Services in reviewing fire safety arrangements for all “in scope” high rise residential buildings over 18 metres by December 2021.

The Service had identified a multi-disciplinary team (protection; prevention; risk; communication and engagement) and developed an action plan to deliver the programme for the 89 buildings identified in the Service area. At the end of February 2021, 35 of these buildings had been inspected, with the remainder to be addressed by September 2021.

Spending against the Protection Uplift funding was zero as at the end of February 2021. An action plan to provide increased numbers of Building Safety Officers had been instigated and a recruitment process was underway. Spending against the Grenfell Infrastructure funding was £35266 as the Service had provided relevant equipment including smoke hoods to all operational vehicles.

The Committee expressed its thanks to officers for instigating a RAG rating against the recommendations. The question was raised as to whether there may be further recommendations arising as a result of Phase 2 of the Grenfell Inquiry. The Director of Service Delivery advised that any such recommendations would be reviewed by the Service on publication.

The Committee also commented that the provision of smoke hoods was innovative and asked for a demonstration to be provided at a future meeting.

* **CSCPC/18 Integrated Risk Management Plan & Community Risk Management Plan**

The Committee received for information a presentation given by the Director of Service Improvement at the meeting which covered the requirement under the National Framework 2018 to implement an Integrated Risk Management Plan (IRMP), the current iteration of which ran to 2022.

It was noted that the Service had commenced work on the next iteration of the Plan. The National Fire Chiefs Council (NFCC) had produced a new National Fire Standard for a Community Risk Management Plan (CRMP) now. It was considered that a CRMP would reflect more accurately the function and content of the Plan. Additionally, Her Majesty's Inspectorate of Constabulary & Fire & Rescue Services (HMICFRS) would monitor the Service's performance against the new Standard.

The presentation at the meeting covered the following points:

- The components of a CRMP, including work undertaken on defining its scope, hazard identifications, risk analysis, decision making and evaluation;
- the engagement being undertaken with internal and external stakeholders which would also give evidence for collaborative work with partners;
- Details of the new Fire Standard and how the Service expected to achieve any desired outcomes;
- The Pre-Engagement exercise which would identify where consultation would be required on the new Plan, starting with station staff;
- Timescales for the process, notably that a draft of the proposed CRMP would be available in Summer 2021 with any statutory consultation commencing at the end of August to September 2021 for 13 weeks;

- There was an ongoing community risk project at the NFCC and the Service was hoping there would be a standard definition of “risk” to guide fire and rescue services in this process.

The Committee noted that the agenda for future committee meetings was likely to focus on this matter as it had delegated responsibility to make recommendations to the Authority on the CRMP. The Committee asked that the presentation be circulated by email for reference and the Director of Service Improvement undertook to forward the information requested.

Reference was made to the point that interest in CRMP may be greater this time after the Grenfell fire and that Officers needed to be prepared for greater examination by the local authorities. The Deputy Chief Fire Officer advised that the Service would be encouraging the public to respond to the Service on the CRMP engagement exercise and it recognised the need to delve deeper into communities so a stakeholder mapping exercise was being undertaken currently.

The Committee asked the Service to consider if Members could feedback and also to have material available to take to their respective local authorities. A report was also requested for future meetings.

***DENOTES DELEGATED MATTER WITH POWER TO ACT**

The Meeting started at 10.00 am and finished at 11.07 am

This page is intentionally left blank

APPRAISALS AND DISCIPLINARY COMMITTEE

(Devon & Somerset Fire & Rescue Authority)

24 March 2021

Present:

Councillors Vijeh (Vice-Chair)(in the Chair), Best, Hannaford and Vijeh (Vice-Chair)

Also in attendance:

Bryony Houlden (Chief Executive, South West Councils and advisor to the Committee).

Apologies:

Councillor Randall Johnson

* **ADC/14** **Exclusion of the Press and Public**

RESOLVED that, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public (with the exception of Bryony Houlden, Chief Executive, South West Councils and advisor to the Committee) be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in the following Paragraph(s) of Part 1 of Schedule 12A (as amended) to the Act:

Paragraph 1 (information relating to an individual); and

Paragraph 2 (information likely to reveal the identity of an individual).

* **ADC/15** **Director of Finance & Resourcing (Authority Treasurer) - Interviews and Appointment**

(An item taken in accordance with Section 100A(4) of the Local Government Act during which the press and public were excluded from the meeting).

The Committee interviewed two candidates for the post of Director of Finance & Resourcing (Authority Treasurer).

RESOLVED

- (a). that Shayne Scott be appointed to the position of Director of Finance & Resourcing (commencement date to be confirmed); and
- (b). that, on commencement of employment, Shayne Scott be designated the individual so appointed as the officer with responsibility for the proper administration of the Authority's financial affairs (i.e. Authority Treasurer), in accordance with Section 112 of the Local Government Finance Act 1988.

* **DENOTES DELEGATED MATTER WITH POWER TO ACT**

The Meeting started at 9.00 am and finished at 2.00 pm

This page is intentionally left blank

Agenda Item 7

| | |
|---|---|
| REPORT REFERENCE NO. | DSFRA/21/15 |
| MEETING | DEVON & SOMERSET FIRE & RESCUE AUTHORITY (Ordinary Meeting) |
| DATE OF MEETING | 29 JUNE 2021 |
| SUBJECT OF REPORT | STRATEGIC PRIORITY OBJECTIVES 2021-22 |
| LEAD OFFICER | CHIEF FIRE OFFICER |
| RECOMMENDATIONS | <i>That the Strategic Priority Objectives for 2021-22 as appended to this report be determined.</i> |
| EXECUTIVE SUMMARY | <p>In 2020 the Authority, supported by the Centre for Governance and Scrutiny, undertook an extensive review of its governance structure. Stemming from this, it was felt there would be considerable benefit to the Authority in approving set of clear Strategic Priority Objectives for each year against which the Authority could, using its Committee structure, scrutinise Service performance.</p> <p>Proposed Strategic Priority Objectives for 2021-22 are now attached at Appendix A. These have been developed with input from Authority Members at recent Members' Forum meetings and three Member workshops.</p> <p>As a result of Member input at the workshops:</p> <ul style="list-style-type: none"> A. Options for some of the wording for Strategic Policy Objectives 1 and 2 remain to be determined. All options are indicated in the attached Appendix A; and B. the original Strategic Policy Objectives 4(a) and 4(b) have now been combined into a single objective. It should be noted, however, that this objective now covers two very distinct areas of work. |
| RESOURCE IMPLICATIONS | All resource implications for these Strategic Policy Objectives will be contained from within approved budgets (including reserves) for 2021-22. Budget for 2022-23 and onwards will be directly related to performance expected and outcomes desired for Strategic Policy Objectives set for that year (work to commence in September 2021) |
| EQUALITY RISKS AND BENEFITS ANALYSIS | The Strategic Policy Objectives are designed to be fully inclusive. |
| APPENDICES | Draft Strategic Policy Objectives 2021-22 |

| | |
|--------------------------|------|
| BACKGROUND PAPERS | Nil. |
|--------------------------|------|

LEE HOWELL
Chief Fire Officer

APPENDIX A TO REPORT DSFRA/21/15

| | | | |
|--|---|---|---|
| Strategic Priority 1 Our targeted prevention and protection activities will reduce the risks in our communities, Improving Health, Safety and wellbeing, supporting the local economy. | | Strategic Priority 2 Our Operational resources will provide an effective emergency response to meet the local and national risks identified in our Community Risk Management Plan | |
| 1a | Improve the impact of home fire safety checks/visits to reduce the risk of fire in a person's home; OR Deliver interventions and education events to reduce the risk of fires in the community | 2a | Ensure the right resources are in the right place at the right time to respond to fires and other emergencies; OR Provide response resources at times and in locations relevant to identified risks of fires and other emergencies |
| 1b | Develop and deliver initiatives to engage young people in the work of the fire service and divert them from harm; OR Develop and deliver initiatives to support children and young people in making safe lifestyle choices | 2b | Ensure that we continue to meet our obligations under the Civil Contingencies Act and the National Resilience Model and continue to develop plans and capability to respond to major emergencies in line with changing threat and risk levels |
| 1c | Target risk-based inspection processes and enforcement activities towards the highest risk and ensure that they are effective and properly resourced | 2c | Explore and develop opportunities to work with other agencies where the Service can add value to community outcomes |

| | | | |
|--|---|---|--|
| Strategic Priority 3 The Service is recognised as a great place to work. Our staff feel valued, supported, safe and well trained to deliver a high performing fire and rescue service. | | Strategic Priority 4 We are open and accountable, using our resources efficiently to deliver a high performing, sustainable service that demonstrates improving public value. | |
| 3a | Ensure that the workforce is highly trained and has the capability and capacity to deliver services professionally, safely and effectively | 4a | We will explore and develop opportunities for collaboration with other agencies, charities and volunteers to enhance our work and deliver efficient and economic services AND invest in technology that: supports new ways of working; improves information governance and data sharing; supports interoperability; improves safety and service outcomes; and provides flexibility and increased productivity |
| 3b | Increase the diversity of the workforce to better reflect the communities we serve, promoting inclusion and developing strong and effective leaders who ensure that we have a fair place to work where our organisational values are a lived experience | | |
| 3c | Recognise and maximise the value of all employees, particularly the commitment of on-call firefighters, improving recruitment and retention | 4b | We will apply good practice planning, risk management and evaluation processes to provide a better understanding of productivity, benefits realisation and the impact on other expected outcomes |

Agenda Item 8

| | |
|-----------------------------|---|
| REPORT REFERENCE NO. | DSFRA/21/16 |
| MEETING | DEVON & SOMERSET FIRE & RESCUE AUTHORITY (Ordinary Meeting) |
| DATE OF MEETING | 29 JUNE 2021 |
| SUBJECT OF REPORT | PROVISIONAL FINANCIAL OUTTURN 2020-21 |
| LEAD OFFICER | Interim Treasurer |
| RECOMMENDATIONS | <p><i>(a) That the provisional underspend against the 2020-21 revenue budget of £1.876m be transferred to the Reserve for Capital Funding;</i></p> <p><i>(b) That, subject to (a) above, the following be noted:</i></p> <p style="padding-left: 40px;"><i>(i) The draft position in respect of the 2020-21 Revenue and Capital Outturn position, as indicated in this report.</i></p> <p style="padding-left: 40px;"><i>(ii) That the net underspend figure of £1.867 is after</i></p> <p style="padding-left: 80px;"><i>A. Transfer of £3.281m transfers to reserves per Appendix C; and</i></p> <p style="padding-left: 80px;"><i>B. A transfer of £5.601m to the Grants Unapplied Reserve as required under International Financial Reporting Standards (IFRS) relating to grants received during the financial year but not utilised as per Appendix D</i></p> <p><i>(c) That, subject to b (ii) B above, a virement of £2.846m relating to NNDR Additional Reliefs a is approved within the 2021/22 budget in line with accounting requirements.</i></p> |
| EXECUTIVE SUMMARY | <p>This report sets out the draft financial outturn position for 2020-21 against agreed financial targets.</p> <p>In particular, it provides a draft outturn spending position against the 2020-21 revenue budget with explanations of the major variations. Gross spending will be £1.960m below budget (2.54% of the total budget). Net spending (before transfers to earmarked reserves noted in this report) will be £9.745m below budget (12.61% of the total budget). Of this amount, £7.412m is associated with additional grants received, so the operational underspend was £2.333m (3.02% of the total budget).</p> <p>There have been some significant movements against the original budget which was set in February 2020 due to organisational focus on the COVID pandemic response, with opportunities taken during the year to fund reserve items such the full rollout of the Payment for Availability system.</p> |

| | |
|---|---|
| | <p>Significant savings have been utilised either within the year or as part of the year end process within officer delegations, with the balance providing an opportunity to invest in the future via the capital reserve. A large amount of additional grant income was accounted for in 2020/21 which has impacted on the year-end position.</p> <p>The figures are also subject to external audit of the Accounts.</p> |
| RESOURCE IMPLICATIONS | As indicated in the report |
| EQUALITY RISKS AND BENEFITS ANALYSIS | The contents of this report are considered compatible with existing equalities and human rights legislation. |
| APPENDICES | <p>A. Provisional Revenue Outturn Position 2020-21.</p> <p>B. Summary of Reserve and Provision Balances at 31 March 2021</p> <p>C. Details of Earmarked Reserves.</p> <p>D. Grants Received in Advance.</p> |
| BACKGROUND PAPERS | None |

1. INTRODUCTION

- 1.1. This report provides the Authority with the final outturn position (subject to audit) for revenue and capital spending for the financial year 2020-21, and makes recommendations as to how the underspend against the revenue budget is to be utilised. The report is in two parts. Section 1 deals with the revenue outturn position while Section 2 deals with the position in relation to capital spending.
- 1.2. The Authority is well aware of the difficult financial climate that local authorities are currently operating under as a result of cuts in government funding. In setting the 2021-22 revenue budget for the Authority in February 2021, consideration of the Medium Term Financial Plan (MTFP) recognised that further recurring savings will be required over the next five years to 2025-26 over above the savings already achieved by the implementation of the changes agreed as part of the 2013 Corporate Plan and Safer Together programme.
- 1.3. Mindful of this difficult outlook the strategy adopted during the last financial year 2020-21 was to balance the budget using the budget smoothing reserve whilst focussing on development of the Authority's strategy to improve the Service and release savings in the future. Due to savings made during the year and greater than budgeted income, the call on reserves was not required. Additional expenditure arising from the response to the COVID-19 pandemic has been fully covered by additional grant monies from central government. Budget monitoring reports submitted to meetings of the Resources Committee during the financial year have identified further in year savings and the provisional outturn figure for 2020-21, now included in this report, is for an under spend of £9.370m, equivalent to 12.31% of the total budget
- 1.4. A large proportion of this underspend (£5.601m) is resulting from grant income received in 2020/21 that will be required in 2021/22 and beyond. The remainder is of course, a welcome result and provides the opportunity to transfer this amount into Reserve balances to be utilised in the best possible way to assist future development of the Service. However, this is a one-off saving and can therefore be used only once. It is not a sustainable solution to the Authority's forecast budget shortfalls.

2. SECTION 1 – REVENUE OUTTURN 2020-21

- 2.1. Total revenue spending in 2020-21 was £66.519m compared to an agreed budget of £77.277m, resulting in an underspend of £9.745m, equivalent to 12.63% of total budget. If the COVID response grants were excluded, the operational underspend was £5.236m or 5.83% of the operational budget. A summary of spending is shown in Table 1 overleaf and Appendix A provides a more detailed analysis of spending against individual budget heads.

TABLE 1 – SUMMARY OF REVENUE SPENDING 2020-21

| | £m | £m | £m |
|---|----------|--------|---------------|
| Approved Budget | | | 77.277 |
| Gross Spending (Appendix A Line 25) | 83.191 | | |
| Gross Income (Appendix A Line 29) | (16.672) | | |
| Net Spending | | 66.519 | |
| <u>PLUS Transfers to Earmarked Reserves</u> | | | |
| - Transfers to Reserves (Appendix A Line 31) | 3.281 | | |
| - Capital Funding (Appendix A Line 32) | 1.876 | | |
| - Grants Unapplied (Appendix A Line 33) | 5.601 | | |
| Total Transfer to Earmarked Reserves (Appendix A) | | 10.758 | |
| TOTAL NET SPENDING | | | 77.277 |
| NET UNDERSPEND | | | 0.000 |

- 2.2. These figures are based upon the spending position at the end of March 2021 and whilst they provide a provisional financial performance for the year, are subject to final accounting adjustments and audit scrutiny for the year end.
- 2.3. The underspend is after several variances against budget as reported in Appendix A to this report but is mainly due to additional grants received and a reduction of expenditure due to the Covid pandemic and the restrictions placed on us during the lockdown periods.
- 2.4. Variances against other budget heads e.g. Uniformed staffing costs, Training Expenses and Capital Financing Costs are also reported. Explanations of the more significant variations from budget (over £50k variance) are explained below.

VARIATION AGAINST BUDGET

Service Delivery Staff

- 3.1. Expenditure was less than the budget of £49.505m by £0.070m. High levels of availability for station based staff ensured fire appliances were kept on the run during the lockdown periods. The roll-out of Pay for Availability to the Stations that voluntarily agreed to move to the new pay mechanism have all contributed to this modest underspend.

Professional and Technical Staff

- 3.2. Support Staffing costs were £0.121m higher than budgeted. The overtime costs incurred in 2020/21 accounted for £0.117m of this overspend. A combination of our response to the Covid pandemic, a delay in recruiting for vacant posts and vacancies all contributed to the requirement for additional overtime.

Training Investment

- 3.3. Training Expenses – Underspend of £0.187m. Due to restrictions associated with Covid, the ability to deliver all anticipated training courses has been hindered. However, throughout the year, risk critical training continued to ensure that firefighter competence was maintained at an acceptable level of performance and recruit training courses also continued to ensure that establishment numbers are supported.

Fire Service Pension Costs

- 3.4. This category was underspent by £0.163m. This is as a result of delays with ill health/injury on duty assessment process due to COVID. The process was restarted in September 2020 with affected staff not suffering detrimental impact to their pension position.

Repair and Maintenance (Premises)

- 3.5. Estates repair and maintenance were underspent by £0.067m from a budget of £1.125m. Due to staff shortages (one surveyor left mid-year plus multiple sickness issues within the team) resulted in delays in a couple of initiatives that the Estates team were hoping to complete in 2020/21.

Rent and Rates

- 3.6. Rent & Rates were underspent by £0.061m. A delay in the refurbishment of a station within Plymouth has resulted in the requirement for temporary accommodation to not be required. This resulted in an underspend of £0.050m – the balance consisted of a slight underspend on water rates.

Repair and Maintenance (Transport Related)

- 3.7. Underspent by £0.114m. £0.060m of this is associated with blue light fit-out and livery of replacement vehicles which have been delayed due to Covid. These are subject to an earmarked reserve request as are still required once the vehicles get delivered. The balance arises from savings on replacement parts for the existing fleet.

Running Costs and Insurances

- 3.8. An underspend of £0.181m. Restrictions on travel and cheaper/free fuel have resulted in an underspend of £0.140m for these. Hire cars were £0.054m less than budgeted. The balance is made up smaller amounts across various lines within this group.

Travel & Subsistence

- 3.9. An underspend of £0.116m from a budget of £1.423m. This is as a result of considerably reduced; business travel and overnight accommodation and the introduction of on-line meetings brought about from Covid restrictions

Equipment and Furniture

- 3.10. An outturn position of £3.018m against a budget of £3.545m – savings of £0.526m. The biggest under spends are from ICT of £0.133m, the largest item being a reduction in ICT back-up of £0.064m which is now amortised over 4 years and not an upfront cost and Prevention Delivery of £0.266m resulting from considerably less equipment being required due to reduced physical Home Fire Safety Visits (HFSV's) this year. The fact that office spaces were only partially occupied in year, the requirement for replacement office furniture was also reduced ensuring savings of £0.120m

Hydrants-Installation and maintenance

- 3.11. An underspend of £0.087m. Costs previously picked by the Service for hydrant installations are now transferred to the developers in the majority of cases, this gave savings of £0.008m. The major saving was on hydrant maintenance where an underspend of £0.050m was achieved. Delays in completing the work by the water companies and in many instances, not being invoiced for the work has attributed to the underspend.

Communications

- 3.12. Savings against budget of £0.143m. Portable radio usage (as used by Flexi-Duty Officers) is no longer charged as a separate item so has resulted in a saving of £0.032m. A long-awaited credit from a previous supplier regarding landline telephone rental of £0.029m was received in the year and the Network Fire Service Partnership (NSFP) were underspent due to delays in installing a dynamic coverage tool across the partnership, this has resulted in an underspend contribution from the Service of £0.052m. The balance is made up of smaller items across many lines.

Protective Clothing

- 3.13. An underspend of £0.178m. Closer management of pooled stock generated greater savings than initially anticipated from better management and re-use of PPE.

External Fees and Services

- 3.14. An outturn position of £0.183m overspent. Multiple minor (<£10k) increases account for this position although more major investments include a more accessible website at £0.051m and a review of the HR/OD function has been undertaken at a cost of £0.020m

Printing, Stationery and office expenses.

- 3.15. This category was underspent by £0.063m. Working from home meant far less demand for printing, postage and stationery occurred in 2020/21. Postage was £0.013m underspent, the balance being made up of multiple lower value underspends across the Service.

Support Services Contracts

- 3.16. There was an underspend of £0.121m on support services contracts. The majority is from an underspend on Occupational Health services of £0.103m. A reduction in the call on their services coupled with proactive signposting of services available internally helped. There was also an underspend against the payroll contractor of £0.023m.

Revenue contribution to Capital Spending

- 3.17. Savings of £0.169m against budget. The full budget is still required in order to deliver planned projects in the future. The variance is due to timing differences per Section 2 of this report and is subject to transfer to the earmarked reserve for Capital.

Grants and Re-imbursements

- 3.18. Grants were £7.412m greater than budget – made up as per overleaf. Some were used in-year, the majority however are requested to be moved into an Earmarked Reserve as are classed as receipts in advance. See Section 4.1 b of this report.

| GRANT | £M |
|--|--------------|
| Covid Response | 1.622 |
| Rural Services | 0.423 |
| Grenfell Infrastructure | 0.103 |
| Learn 2 Live | 0.032 |
| Accreditation Grant Funding | 0.021 |
| ESMCP Infrastructure Grant | 0.200 |
| Support pensions administration grant | 0.118 |
| Covid Response Grant | 0.208 |
| ESMP Infrastructure Top-up Grant | 0.350 |
| NNDR Additional Reliefs | 2.846 |
| Council Tax - Tax Income Guarantee Grant | 1.208 |
| NNDR - Tax Income Guarantee Grant | 0.180 |
| Other (Minor) | 0.101 |
| TOTAL | 7.412 |

Other Income

- 3.19. Other income was £0.369m greater than budget. Assistance to SWAST throughout the pandemic providing drivers in the year resulted in an additional £0.489m of income which was unbudgeted – this has off-set any expenditure incurred through the pandemic providing assistance to them. Under recovery of Red One income due to the company not being able to trade for half the year resulted in a reduction of £0.144m against budget. The balance is made up from multiple smaller items.

4. CONTRIBUTION TO EARMARKED RESERVES

- 4.1. A summary of predicted balances on Reserves and Provisions is shown in Appendix B to this report. These figures include those proposed transfers to Earmarked Reserves and provision outlined in this report and referenced in Appendix B which are recommended for approval:
- a. **Budgeted Transfers to Reserves (£3.281m)** – Appendix C references the transfers as approved throughout the year and reflects those reserves approved in line with financial regulations.
 - b. **Grants Unapplied (£5.601m)** - under International Financial Reporting Standards (IFRS) accounting arrangements, any unused grants at the year-end, which are not subject to repayment, are to be identified and carried forward to 2021-22 via an Earmarked reserve. The detail of the grants is provided within Appendix D. Members are requested to authorise the five grants received in excess of the delegated limit of £0.200m – highlighted in yellow for ease of reference.
 - c. **Budget Pressures (£0.250m)**- In addition to the £0.238m already approved (Estates repair and maintenance, ESN modems, Personal Misting systems) a further request of £0.012m has been approved to procure an E-learning information assurance package.

5. PROPOSALS FOR UTILISATION OF THE UNDERSPEND

- 5.1. The Authority is asked to approve the recommendation that the underspend figure of £1.876m be used to fund future capital expenditure in line with its strategy to reduce borrowing and improve long term financial sustainability by avoiding the costs of borrowing.
- 5.2. A summary position of Reserves and Provisions as at 31 March 2021, including the recommendations included in this report, is included as Appendix B to this report.

Provisions

- 5.3. Included in Appendix B is a summary of the Provision balances as at 31 March 2021. As part of the year-end process the Authority is required to review the adequacy of Provision balances and consider whether any changes during the year require additional amounts to be set aside. As a result of the most recent review it has been assessed that £0.197m can be released from the Provision back in to the revenue budget.

6. **BUDGET TRANSFERS – 2021/22**

- 6.1. The following virement is recommended for approval by the Authority.
- 6.2. The Authority approved its 2021/22 Revenue Budget at its budget meeting on 19 February 2021. It was anticipated that the Service would receive a Section 31 grant in year to compensate for loss of National Non-Domestic Rates (NNDR) income. It has subsequently transpired that there is a requirement to account for the grant in 2020/21. Consequently, it is proposed that this be moved into a Reserve and then released in-year.
- 6.3. The following transfer moves the funding from Grants & reimbursements to Transfer from Reserves in 2021/22.

| Line Ref | Description | Debit £m | Credit £m |
|----------|---|--------------|----------------|
| | <i>To move funding source from Section 31 grant to Contribution from Reserves</i> | | |
| 28 | Decrease Grants and reimbursements | 2.856 | |
| 25 | Increase Transfer to / (from Earmarked) Reserves | | (2.856) |
| | | 2.856 | (2.856) |

7. **SECTION 2 – CAPITAL OUTTURN 2020-21**

- 7.1. The 2020-21 capital programme was originally set at £10.7m at the budget setting meeting held in February 2020. The programme figure was increased during the financial year to £11.3m, as a result of timing differences in spending from the previous year and revisions to the capital spending plan. As has been reported to the Resources Committee during the year, whilst these changes represent a change in the 2020-21 programme they do not represent any increase to the previously agreed borrowing requirement.
- 7.2. Table 2 overleaf provides a summary of the provisional outturn position against the agreed 2020-21 capital programme. Against a final capital programme of £11.297m, capital spending in year was £4.582m, resulting in unspent programme of £6.715m, of which £6.316m relates to timing differences to be carried forward to 2021-22, and £0.399m of savings.
- 7.3. The 2020-21 budget included an “optimism bias” for the first time, based on experience of considerable timing differences in capital spending against plans. The figures in table 2 below are net of the optimism bias and the outturn suggests that it would be prudent to continue using this approach, which has been incorporated in to the programme for 2021-22.

TABLE 2 – SUMMARY OF CAPITAL SPENDING IN 2020-21

| PROJECT | 2020/21 | 2020/21 | 2020/21 | 2020/21 |
|--|----------------|--------------|--------------------|-------------------------|
| | £000 | £000 | £000 | £000 |
| | Revised Budget | Outturn | Timing Differences | Re-scheduling / Savings |
| Estate Development | | | | |
| Site re/new build | 3,557 | 1,849 | (1,708) | 0 |
| Improvements & structural maintenance | 5,591 | 708 | (4,481) | (402) |
| Optimism bias | (2,700) | 0 | 2,700 | 0 |
| Estates Sub Total | 6,448 | 2,557 | (3,489) | (402) |
| Fleet & Equipment | | | | |
| Appliance replacement | 5,034 | 1,678 | (3,356) | 0 |
| Specialist Operational Vehicles | 710 | 333 | (380) | 3 |
| Equipment | 0 | 0 | 0 | 0 |
| ICT Department | 159 | 0 | (159) | 0 |
| Water Rescue Boats | 46 | 14 | (32) | 0 |
| Optimism bias | (1,100) | 0 | 1,100 | 0 |
| Fleet & Equipment Sub Total | 4,849 | 2,025 | (2,827) | 3 |
| Overall Capital Totals | 11,297 | 4,582 | (6,316) | (399) |

Capital Spending 2021-22

- 7.4. This Authority has a three year rolling capital programme, reviewed annually. This reflects changes in circumstances within individual projects and slippage that will occur from time to time. This has particularly been the case in relation to the appliance replacement programme and some Estates projects, exasperated this year by the impact of the pandemic. Those projects have moved into 2021-22.
- 7.5. Timing differences for Estates projects relates to: Brixham (£0.203m); Plymstock (£1.504m); wash-down improvements (environmental protection) on various sites (£0.529m); dignity at work (£0.150m); Bridgwater (£0.307m); various roofing schemes (£0.702m); Cullompton (£0.024m); Camels Head (£2.167m); Wellington (£0.055m); SHQ security (£0.362m); SHQ buildings (£0.185m).
- 7.6. Timing differences for Fleet & Equipment and ICT projects relates to: Medium Rescue Pumps (£2.763m); Rapid Intervention Vehicles (£0.593m); Incident Command Training vehicles (£0.080m); Aerial Ladder Platforms (£0.3m); Water Rescue Boats (£0.032m) and SQL server (£0.159m).

8. FINANCING THE 2020-21 CAPITAL PROGRAMME

- 8.1. The table below provides an analysis of how the 2020-21 capital spending of £4.582m is to be financed.

TABLE 3 – SUMMARY OF CAPITAL FINANCING IN 2020-21

| | Actual Financing Required £m |
|---|---------------------------------|
| Application of existing borrowing | 1.528 |
| Other financing sources: | |
| Revenue contribution to capital | 1.737 |
| Red One contribution to capital | 0.130 |
| Capital reserve | 0.795 |
| Water rescue boat reserve | 0.012 |
| Sub-total – Direct revenue funding/earmarked reserve | 2.674 |
| | |
| Capital receipts | 0.380 |
| | |
| Total Financing | 4.582 |

Borrowing

- 8.2. The amount of external borrowing at the beginning of the financial year stood at £25.444m. No new borrowing was taken out during the year and an amount of £0.593m has been repaid, resulting in an overall reduction of external borrowing to £24.851m as at 31 March 2021. This level of borrowing is well below the agreed maximum borrowing figure of £27.949m allowed under the Prudential Code.

9. DRAFT PRUDENTIAL INDICATORS

- 9.1. The prudential indicators at this time can only be regarded as provisional subject to the completion of the Statement of Accounts and resultant audit scrutiny.

Capital Expenditure

- 9.2. This prudential indicator reports actual capital spending for the year against the approved programme. Spending has proved to be £6.715m less than anticipated as a consequence of delays on progressing Estates & Fleet capital projects.

| | £m |
|--------------------|---------|
| Approved Budget | 11.297 |
| Actual Expenditure | 4.582 |
| Variance | (6.715) |

Capital Financing Requirement– External Borrowing

- 9.3. The Capital Financing Requirement (CFR) reflects the underlying need to borrow for capital purposes. Given that existing borrowing has been applied to the spending in 2020-21 the need to borrow to fund capital spending has remained static.

| | £m |
|--|-----------|
| Approved CFR | 24.851 |
| Revised CFR (Based on Actual Spending) | 24.851 |
| Variance | 0.000 |

Capital Financing Requirement– Other Long Term Liabilities

- 9.4. This Capital Financing Requirement (CFR) reports long term financing liabilities other than external borrowing, e.g. Private Finance Initiative (PFI) and Finance Leases, which under accounting rules are required to be reported alongside traditional borrowing liabilities.

| | £m |
|--|-----------|
| Approved CFR | 1.010 |
| Revised CFR (Based on Actual Spending) | 1.010 |
| Variance | 0.000 |

Authorised Limit and the Operational Boundary for External Debt

- 9.5. Actual external debt as at 31 March 2021 was £24.851m. This is within the revised authorised limit (absolute maximum borrowing approval) of £27.949m and the operational boundary of £26.656m.

Ratio of Financing Cost to Net Revenue Stream

- 9.6. This ratio aims to show the percentage of revenue resources which are applied to financing debt. The Authority's estimate was that 4.08% would be applied, a better ratio has been achieved as a result of strong investment returns.

| | £m |
|-------------------------|-----------|
| Capital Financing Costs | 3.300 |
| Interest on Investments | (0.204) |
| Net Financing Costs | 3.096 |
| Net Revenue | 77.277 |
| Percentage | 4.01% |
| Budgeted | 4.08% |
| Variance | (0.07) bp |

10. DETERMINATION OF CAPITAL FINANCE

- 10.1. The Authority is required to determine its use of capital finance as defined by capital control legislation. The following use of capital finance resources is proposed:
- That an amount of £1.528m of external borrowing from previous years be utilised to fund the Capital programme;
 - That an amount of £2.674m is capitalised and funded from revenue contributions to capital spending, either directly from the 2020-21 revenue budget or from balances in Earmarked Reserves;
 - That an amount of £0.380m of capital receipts be utilised to fund the Capital Programme.

11. RESERVES

- 11.1. A new requirement was introduced in 2018 under CIPFA guidance for the Authority to publish a Reserves Strategy which outlines the intended use of reserves over the medium term financial period. The strategy for 2020-21 is available on the Authority's website and the next iteration will be reviewed and presented to the Authority in light of proposals made in this report.
- 11.2. The Authority reserves position at the end as at 31 March 2021 is £46.348m, subject to approval of the recommendations in this report, the details of which are shown at Appendix B and in paragraph 4.1 above.

ANDREW FURBEAR
Interim Treasurer

SUBJECTIVE ANALYSIS OF REVENUE SPENDING

| DEVON & SOMERSET FIRE AND RESCUE AUTHORITY | | 2020/21 Budget £000 | Outturn £000 | Projected Variance over/ (under) £000 |
|--|--|---------------------------|-----------------|---|
| Line No | SPENDING | | | |
| | EMPLOYEE COSTS | | | |
| 1 | Service Delivery Staff | 49,575 | 49,505 | (70) |
| 2 | Professional and technical support staff | 11,046 | 11,168 | 121 |
| 3 | Training investment | 670 | 483 | (187) |
| 4 | Fire Service Pension costs | 2,489 | 2,325 | (163) |
| | | 63,780 | 63,481 | (299) |
| | PREMISES RELATED COSTS | | | |
| 5 | Repair and maintenance | 1,125 | 1,058 | (67) |
| 6 | Energy costs | 575 | 580 | 5 |
| 7 | Cleaning costs | 494 | 505 | 11 |
| 8 | Rent and rates | 1,990 | 1,929 | (61) |
| | | 4,184 | 4,072 | (112) |
| | TRANSPORT RELATED COSTS | | | |
| 9 | Repair and maintenance | 704 | 590 | (114) |
| 10 | Running costs and insurances | 1,128 | 946 | (181) |
| 11 | Travel and subsistence | 1,423 | 1,306 | (116) |
| | | 3,254 | 2,843 | (411) |
| | SUPPLIES AND SERVICES | | | |
| 12 | Equipment and furniture | 3,545 | 3,018 | (526) |
| 13 | Hydrants-installation and maintenance | 151 | 64 | (87) |
| 14 | Communications Equipment | 2,262 | 2,119 | (143) |
| 15 | Protective Clothing | 619 | 441 | (178) |
| 16 | External Fees and Services | 103 | 286 | 183 |
| 17 | Partnerships & regional collaborative projects | 275 | 255 | (20) |
| 18 | Catering | 56 | 27 | (28) |
| | | 7,010 | 6,210 | (800) |
| | ESTABLISHMENT COSTS | | | |
| 19 | Printing, stationery and office expenses | 236 | 173 | (63) |
| 20 | Advertising | 37 | 31 | (6) |
| 21 | Insurances | 411 | 419 | 8 |
| | | 683 | 623 | (60) |
| | PAYMENTS TO OTHER AUTHORITIES | | | |
| 22 | Support service contracts | 709 | 588 | (121) |
| | | 709 | 588 | (121) |
| | CAPITAL FINANCING COSTS | | | |
| 23 | Capital charges | 3,493 | 3,505 | 12 |
| 24 | Revenue Contribution to Capital spending | 2,037 | 1,868 | (169) |
| | | 5,530 | 5,373 | (157) |
| 25 | TOTAL SPENDING | 85,152 | 83,191 | (1,960) |
| | INCOME | | | |
| 26 | Treasury management investment income | (201) | (204) | (3) |
| 27 | Grants and Reimbursements | (7,878) | (15,291) | (7,412) |
| 28 | Other income | (809) | (1,178) | (369) |
| 29 | TOTAL INCOME | (8,888) | (16,672) | (7,784) |
| 30 | NET SPENDING | 76,263 | 66,519 | (9,745) |
| | TRANSFERS TO EARMARKED RESERVES | | | |
| 31 | Transfers to reserves | 1,013 | 3,281 | 2,267 |
| 32 | Transfer to Capital funding | 0 | 1,876 | 1,876 |
| 33 | Grants Unapplied | 0 | 5,601 | 5,601 |
| | | 1,013 | 10,758 | 9,745 |
| 36 | NET SPENDING | 77,277 | 77,277 | 0 |

SUMMARY OF RESERVES AND BALANCES AS AT 31 March 2021

| RESERVES AND PROVISIONS | | | | | | |
|--|-----------------|--|--|--|--|---|
| | Appendix | Balance as at 1 April 2020 £000 | Approved Transfers £000 | Proposed Transfers £000 | Spending to Month 12 £000 | Balance as at 31 March 2021 £000 |
| RESERVES | | | | | | |
| Earmarked reserves | | | | | | |
| Grants unapplied from previous years | D | (383) | (731) | (4,870) | 287 | (5,697) |
| Invest to Improve | C | (4,844) | (123) | | 1,181 | (3,785) |
| Budget Smoothing Reserve | | (1,818) | - | | - | (1,818) |
| Direct Funding to Capital | | (22,308) | - | (1,876) | 796 | (23,388) |
| Projects, risks, & budget carry forwards | | | - | | | - |
| PFI Equalisation | | (150) | - | - | - | (150) |
| Emergency Services Mobile Communications Programme | | (877) | - | - | 80 | (797) |
| Mobile Data Terminals Replacement | | (279) | - | - | 13 | (266) |
| PPE & Uniform Refresh | | (147) | 18 | - | 29 | (100) |
| Pension Liability reserve | | (1,423) | (211) | - | 403 | (1,231) |
| Environmental Strategy | | (308) | - | - | - | (308) |
| Budget Carry Forwards | | (960) | 116 | - | 255 | (589) |
| Budget Carry-forwards from 2020/21 underspend | C | | (2,881) | | | (2,881) |
| MTA Action Plan | | | (200) | | | (200) |
| Total earmarked reserves | | (33,496) | (4,012) | (6,746) | 3,044 | (41,209) |
| General reserve | | | | | | |
| General Fund balance | | (5,316) | - | - | - | (5,316) |
| Percentage of general reserve compared to net budget | | | | | | 6.9% |
| TOTAL RESERVE BALANCES | | (38,812) | | | | (46,525) |
| PROVISIONS | | | | | | |
| Doubtful Debt | | (655) | | - | - | (655) |
| Fire fighters pension schemes | | (659) | | - | 197 | (462) |

The notes in this table refer to the Appendices within this report.

APPENDIX C TO REPORT DSFRA/21/16

Earmarked Reserves approved in line with financial regulations.

| Initiative | £000 |
|--|-------|
| Estates Conditioned Survey | 120 |
| P4A Future Years Funding | 1,442 |
| Dignity at Work - HMICFRS | 196 |
| ICT Managed Switch Replacement | 85 |
| HR Additional Resources | 87 |
| Vehicle Telematics | 190 |
| CRMP Development | 48 |
| Prevention Joint working interventions | 50 |
| Protection Review Community risk team | 49 |
| Hazmat Detection Equipment | 117 |
| Additional Assurance Resource | 100 |
| Additional H & S Management resource | 100 |
| Information Governance FTC | 46 |
| MTA Action Plan | 200 |
| Fleet blue light and livery | 60 |
| SRT and WAH Equipment | 85 |
| Website Build and Comms Strategy | 45 |
| Protection misting systems | 60 |
| Digital Transformation Strategy - Data | 200 |
| Total | 3,281 |

Grants received in advance

| GRANT | £000 |
|--|--------------|
| Building Risk Review | 11 |
| Protection Uplift | 257 |
| Grenfell Infrastructure | 103 |
| Learn 2 Live | 32 |
| Accreditation Grant Funding | 21 |
| ESMCP Infrastructure Grant | 200 |
| Support pensions administration grant | 118 |
| Covid Response Grant | 208 |
| ESMP Infrastructure Top-up Grant | 350 |
| Covid Response Grant | 66 |
| NNDR Additional Reliefs | 2,846 |
| Council Tax - Tax Income Guarantee Grant | 1,208 |
| NNDR - Tax Income Guarantee Grant | 180 |
| Total | 5,601 |
| | |
| Member Approval | 4,870 |

This page is intentionally left blank

Agenda Item 9

| | |
|---|--|
| REPORT REFERENCE NO. | DSFRA/21/17 |
| MEETING | DEVON & SOMERSET FIRE & RESCUE AUTHORITY (Ordinary Meeting) |
| DATE OF MEETING | 29 JUNE 2021 |
| SUBJECT OF REPORT | FIREFIGHTERS' PENSION SCHEME IMMEDIATE DETRIMENT CASES – FURTHER CONSIDERATIONS |
| LEAD OFFICER | Director of Governance & Digital Services |
| RECOMMENDATIONS | <i>That, in light of the contents of this report, the Authority resolves to amend its discretionary policy on Voluntary Scheme Pays arrangements as indicated in paragraph 2.4 of the report.</i> |
| EXECUTIVE SUMMARY | This report advises on the need to consider amending the Authority's approved pensions discretionary policy on Voluntary Scheme Pays arrangements to include an additional circumstance relating to "immediate detriment" cases that were subject to the decision taken by the Authority, at its Extraordinary Meeting on 20 April 2021. |
| RESOURCE IMPLICATIONS | As indicated in the report. |
| EQUALITY RISKS AND BENEFITS ANALYSIS | The public sector equality duty requires public bodies to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010. The proposal in this report, which is linked to the previous Authority decision to address "immediate detriment" cases, will assist the Authority in meeting this duty in such cases. |
| APPENDICES | Nil. |
| BACKGROUND PAPERS | Report HRMDC/18/25 (Pensions Discretions – Firefighters' Pension Scheme) to the Human Resources Management & Development Committee meeting on 3 July 2018 (and the Minutes of that meeting and the Authority meeting held on 30 July 2018). Report DSFRA/21/11 (Firefighters' Pension Scheme (FPS) – Age Discrimination Remedy) to the Authority Extraordinary Meeting held on 20 April 2021 (and the Minutes of that meeting). |

1. **BACKGROUND**

“Immediate Detriment” Cases

- 1.1. At its Extraordinary Meeting on 20 April 2021, the Authority considered a report of the Director of Governance & Digital Services (DSFRA/21/11) and determined an approach to address, on a case-by-case basis and in accordance with Home Office guidance, “immediate detriment” cases arising from the judgements that the pension protection arrangements of the Firefighters’ Pension Scheme 2015 (“the 2015 Scheme”) were discriminatory on age grounds (Minute DSFRA/ refers).
- 1.2. The report identified, though, that – pending government legislation (anticipated April 2022 at the earliest) to address, fully and unequivocally, the issue – there were still a number of issues that remained unresolved. These issues included potential personal tax liabilities arising from the annual and lifetime pension allowances.

Voluntary Scheme Pays

- 1.3. At its meeting on 3 July 2018, the Human Resources Management & Development Committee considered a report (HRMDC/18/25) on pension discretions associated with the Firefighters’ Pension Schemes and the implications of certain taxation law changes on such Schemes. This report identified, amongst other things, that any individual in a previous scheme who had transferred to the 2015 Scheme would see growth in both schemes (i.e. the previous scheme and the 2015 Scheme) up until the point of retirement.
- 1.4. Where an individual’s annual pension growth in a single Scheme exceeds the Annual Allowance limit (currently £40,000), the individual would be subject to an Annual Allowance tax charge. The Finance Act 2004 provides for a Mandatory Scheme Pays (MSP) facility whereby the Scheme pays, initially, the individual’s tax charge which is then recovered by reduced pension benefits to the individual. This is, though, subject to the following qualifying conditions:
 - (a). the HMRC Annual Allowance limit (£40,000) has been exceeded **for the pension scheme** for which the Scheme Pays election is made;
 - (b). an Annual Allowance tax charge exceeding £2,000 has been triggered; and
 - (c). the relevant time limits for making an election have been met.
- 1.5. However, by virtue of accruing pension growth across two rather than one pension scheme, there is an increased likelihood that - although an individual’s total annual pension grown across **both** schemes may exceed the £40,000 limit, the pension growth in any single scheme may fall short of this limit. As such, the individual would not be eligible to use the Mandatory Scheme Pays facility to pay the Annual Allowance tax charge.
- 1.6. Legal advice obtained by the Local Government Association (LGA) at the time (i.e. in 2017) confirmed that individual Scheme Managers (of which this Authority is one) could introduce a Voluntary Scheme Pays provision whereby the Authority:

1. would pay the annual allowance charge to HMRC on behalf of the scheme member. This Authority could rely on the general power of competence (inserted as Section 5A of the Fire & Rescue Services Act 2004 by Section 9 of the Localism Act 2011) for this; and
2. then adjusts the member's pension benefit to reflect this payment. This Authority could rely on the provisions of the Registered Pension Schemes (Modification of Scheme Rules) Regulations 2001 for this.

1.7. The legal advice also provided, however that:

1. the power of general competence must be exercised reasonably and that it would be reasonable to exercise it in the following circumstances (as proposed by the Home Office and the Scheme Advisory Board):
 - (a). where access to the Voluntary Scheme Pays arrangement for transitional members with service in one of the 1992 or 2006 Schemes and the 2015 Scheme would be the same as the access a protected 1992 or 2006 scheme member, or member with service only in the 2015 Scheme, would have to the Mandatory Scheme Pays arrangement; or
 - (b). where access to the Voluntary Scheme Pays arrangement is afforded to those Scheme members where the pension growth in one or more schemes is more than their own Tapered Annual Allowance limit but less than the £40,000 Annual Allowance; and
2. that a fire and rescue authority wishing to make a Voluntary Scheme Pays arrangement for reasons other than the two listed at 1(a) or 1(b) above, then it should consider whether to do so would represent a reasonable exercise of its powers.

1.8. In light of the legal advice set out in report HRMDC/18/25 and summarised paragraphs 1.4 and 1.7 above, the Human Resources & Management Development Committee resolved to recommend to the Authority that a Voluntary Scheme Pays arrangement be introduced for this Authority for the payment of pension Annual Allowance tax liabilities but applicable only in one (or both) of the circumstances [as identified in paragraph 1.7(1(a) and 1(b) above] (Minute HRMDC/4 refers). This recommendation was subsequently approved by the Authority at its meeting on 30 July 2018 (Minute DSFRA/16(a) refers).

2. IMPLICATIONS FOR THE AUTHORITY

2.1. The issue of immediate detriment linked to the unlawful pension protection provisions of the Firefighters Pensions Scheme 2015 was unknown at the time the Authority approved its Voluntary Scheme Pays arrangements and consequently these arrangements do not currently extend to meeting costs associated with any remedy that might be afforded for immediate detriment cases.

- 2.2. The discretionary policy for Voluntary Scheme Pays provision approved by the Authority was based on legal advice obtained by the Local Government Association. This advice expressed the view that, while the circumstances proposed for the provision (see paragraphs 1.7(1(a)) and 1.7(1(b)), which in turn were based on those proposed by the Home Office and agreed by the Scheme Advisory Board, would represent sound reasons for the exercise of the Authority's general power of competence, they were not necessarily the only reasons but that any Authority wishing to make a Voluntary Scheme Pays arrangement for other reasons should consider whether doing so would represent a reasonable exercise of general power.
- 2.3. As indicated previously, the Authority was advised in report DSFRA/21/11 that there were still a number of unknown implications associated with any immediate detriment remedy, some of which related to individual taxation issues. Given the presumption from the Employment Tribunal cases, though, that fire and rescue authorities should seek to address immediate detriment cases at the earliest opportunity (i.e. in advance of the government's final, legislated, solution) and could do so on the basis of the Home Office guidance, it is suggested that making associated provision for any individual taxation issues to be addressed by a Voluntary Scheme Pays arrangement would be a reasonable exercise of the Authority's general power of competence.
- 2.4. On this basis, it is proposed that the Authority's approved discretionary policy on Voluntary Scheme Pays arrangements be extended by the addition of an additional circumstance, (c), as indicated in ***bold italics*** below:
- That a Voluntary Scheme Pays arrangement be made available to individuals where one or more of the following circumstances apply:
- (a). where access to the Voluntary Scheme Pays arrangement for transitional members with service in one of the 1992 or 2006 Schemes and the 2015 Scheme would be the same as the access a protected 1992 or 2006 scheme member, or member with service only in the 2015 Scheme, would have to the Mandatory Scheme Pays arrangement;
 - (b). where access to the Voluntary Scheme Pays arrangement is afforded to those Scheme members where the pension growth in one or more schemes is more than their own Tapered Annual Allowance limit but less than the £40,000 Annual Allowance;
 - (c). ***where access to the Voluntary Scheme Pays arrangement is necessary to meet additional tax charges resulting from an "immediate detriment" remedy.***
- 2.5. The Authority is asked to consider this report and resolve to amend its discretionary policy on Voluntary Scheme Pays arrangements as indicated in paragraph 2.4 above.

MIKE PEARSON
Director of Governance & Digital Services

By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank