



## **EXTRAORDINARY AVON FIRE AUTHORITY**

**17 FEBRUARY 2023**

**Present:** Councillors A Ali, S Bromley, N Butters, D Davies, R Eddy, B Hopkinson, R Jacobs, B Massey, Y Mohamud, A Monk, B Nutland, R Payne, S Smith, R Tucker, A Varney and D Wilcox, M Shelford, Police & Crime Commissioner and J Mason, Independent Person.

The meeting began at 10.40 hrs.

### **75. APOLOGIES FOR ABSENCE**

Apologies were received from Cllrs J Ashe, E Brown and P Goggin and Y Kumar.

### **76. EMERGENCY EVACUATION PROCEDURE**

Members were advised by the Chief Fire Officer/Chief Executive (CFO) that in the event of an emergency, to exit the room and meet in the rear yard.

### **77. DECLARATION OF INTERESTS**

None advised.

### **78. PUBLIC ACCESS**

None received.

### **79. CHAIR'S BUSINESS**

The Chair welcomed everyone to the meeting and drew attention to the following:

1. The CFO mentioned the recent sad passing of Barry Martin, a firefighter in Scotland and advised that the Service had sent a letter of condolence. A minute's silence was held.
2. The Chair confirmed that the extraordinary meeting would take place as a face-to-face meeting. The meeting had been recorded for the public to view on our YouTube channel.
3. Members and Officers introduced themselves.
4. The voting arrangements for the meeting were as follows:
  - The Chair to ask for any votes against.
  - The Chair to ask for any abstentions.
  - The Chair to ask for a show of hands for Members voting "for".

5. The Clerk confirmed that Members of People & Culture Committee had on behalf of the Fire Authority, conducted a recruitment exercise for a new Statutory Finance Officer and had offered the role to Ms Verity Lee, who had accepted the position. A paper would be presented to the next Fire Authority meeting in March to ask the Fire Authority to ratify the appointment in May.
6. The Clerk advised that paper number 10 regarding the recruitment of an Assistant Chief Fire Officer, was withdrawn from the agenda, as the vacancy was no longer available.

## **80. 2023 to 2026 CAPITAL PROGRAMME, STRATEGY AND PRUDENTIAL INDICATORS**

The Interim Treasurer presented a report to Members which asked them to consider the proposed 3-year Capital Strategy, together with the affordability and impact of the updated capital expenditure plans.

The Capital Strategy outlined the projected capital expenditure and planned capital disposals, proposed by lead Directors, over the next three years from April 2023 to March 2026 and built on the 2022-2025 Capital Programme, which was approved by the Fire Authority in March 2022.

The purpose of the report was to bring a refresh of capital spending until 2026 and to present prudential indicators to assure Members of the affordability of the programme. Members attention was drawn to the table on p7, which summarised the spending proposals. It was confirmed that the spending over the last 7 years amounted to £22.2m which averaged approx. £3m per annum. The Interim Treasurer advised that the proposed spending levels for the next three year programme are broadly in line with historic spending levels with the inclusion of slippage from the existing programme of £3.6m. Whilst spending levels were broadly constant it was emphasised that, given the current cost of living crisis and the significant impact on construction costs, these levels would deliver less for the same expenditure.

It was confirmed that there was continuity in terms of approval by the Authority in previous years. With regards to formulating budgets, there had been a process of liaising with Lead Directors and Heads of Departments. It was also confirmed that the Capital Steering & Prioritisation Steering Group ensured that the figures brought to Members had been prioritised and reviewed.

The Interim Treasurer presented highlights from the report concentrating on areas of the Service such as Fleet, Premises and Control. It was confirmed that the Service has now fully utilised the money from the sale of Headquarters in Temple, which meant there had been no need to move to borrowing as we had capital reserves available to use.

The Interim Treasurer drew Members attention to the Prudential indicators shown on p21 where external borrowing was confirmed at £7m. The training centre at Severn Park was funded from a Private Funded Initiative (PFI) project

for which the Service had 5 years of payment commitments of £1.3m, giving a total Authority debt of £8.3m which was recognised on the balance sheet.

This Prudential Indicators gave flexibility to take out borrowing in advance of proposed spending, subject to the Operational Boundary and Authorised Limit for external debt Indicators not being breached. The Interim Treasurer emphasised to Members that given current high interest rates and the fact that securing loans of up to 25 years would commit the Service to higher debt repayments over this period, that there are no plans for the Service to borrow in advance until interest rates were lower.

The Interim Treasurer advised that the Service's Debt ratio was in the lower quartile when compared to other Fire & Rescue Services (FRS) but looking forward over the next 7-year challenge, there will be requirement to resort to borrowing at some point. There would be significant charges associated with borrowing and the Service would be locked into repayments within the revenue budget for a long time, which couldn't be changed. Whilst it is recognised within the proposed programme that some external borrowing would be required the challenge ahead will be to achieve revenue efficiencies and to look to build into the capital budget to cover future investment.

In response to Member's questions:

1. It was advised that the house sale mentioned in the report was a property in Yate which was previously linked to Avon Fire & Rescue Service (AF&RS) employment - a protected tenancy exists with the tenant having the right to buy. The Clerk had obtained specialist legal advice on this issue.
2. Paragraph 5.5 stated that the fleet provision expenditure programme for 2024/25 was £3.2m. However, appendices 1 and 2 showed £2.099m. The Interim Treasurer advised that his understanding was that the £3.2m was over the whole period of the Capital Programme not just for 2024/25. In addition, the narrative in paragraph 5.5 was to emphasise the total spend of £3.5m but there were other issues not clarified in the narrative. The CFO provided clarification that an appliance could be ordered but may not be in Service and payment made for a further 18 months. It was agreed that clarification would be sought and reported back to Members.
3. It was confirmed that the rebuild at Bath Fire Station had been paused. The Director of Corporate Services (DoCS) advised that the Service was disappointed that the tri-service flagship building would not go ahead. It was confirmed that the Bath rebuild would be reviewed over the next few years. Factors that would influence the decision would be the optimum time to borrow, possibility of taking over Seven Park along with reviewing the facilities at Weston Super Mare and the ongoing training programme. The Property Services Manager added that the building showed defects which needed to be addressed (capital had been allocated). There was also scope to look at further designs including a review of a standalone design.
4. It was mentioned that the capital allocated for the replacement of the hovercraft seemed excessive. It was confirmed that this also included purchase of a vehicle with a crane to move the hovercraft.
5. It was noted that in respect of the Operational Control Capital Programme, there had been delays with the Emergency Services Network (ESN) since

2019 and delivery would not be until 2026 and a Member queried whether there were any other critical systems at risk. The CFO advised that this had resulted in delays in terms of upgrades to connectivity, code of connection and data security. Work was ongoing but, in the meantime, there had been minimal investment within the operating system itself, which was coming to the end of life. It was becoming increasingly critical that investment was required in fire control, but we needed to make best use of our capital assets.

6. The Police & Crime Commissioner (PCC) suggested that there was work that both Services could do, possibly by overlapping the programme as the police also had significant issues as well. The CFO advised that he was happy to consider but added that AF&RS mobilisation systems were different to the police. He added that some areas of the hardware and airwave network were also different but there could be some possible efficiencies. AF&RS were focused on our internal systems but there could be possibilities for collaboration. The CFO advised that the Corporate Risk Register was monitored monthly and in particular the ability to respond.
7. It was mentioned that the Service was spending 'free money' which would run out during the programme and did the Interim Treasurer have any modelling on how this would look in 6 years' time. It was advised that there would be some impact in 2025/26 with additional debt charges. Borrowing would be deferred as much as possible, and it would be suggested that the Service used internal money first. It was emphasised that each £1m borrowed would commit an additional £70k of annual debt charges to the revenue budget.

The recommendation was moved by Cllr Monk and seconded by Cllr Eddy.

**It was RESOLVED that Avon Fire Authority:**

- a) **Approved the 2023-2026 Capital Programme.**
- b) **Approved the proposed funding and Prudential Indicators, as detailed in Appendices 1, 2 and 3 required to finance the 2023-2026 Capital Strategy.**

## **81. REVENUE BUDGET AND COUNCIL TAX LEVELS 2023-24**

The Interim Treasurer presented this report alongside Item 8 on the agenda.

The Interim Treasurer presented a report to Members which outlined the latest revenue budget position following consultation. Members were asked to consider the contents of the report and agree a revenue budget and Council Tax precept for 2023/24. The report set out two options in relation to Council Tax:

**Option 1** – An increase in Council Tax of £5, equivalent to an increase of 6.41% (from £77.95 in 2022/23 to £82.95 in 2023/24 for a Band D Property) in line with the Governments announced specific referendum limit for fire and rescue authorities.

• **Option 2** – An increase in Council Tax of 3% (from £77.95 in 2022/23 to £80.29 in 2023/24 for a Band D Property), representing an increase of £2.34, in line with the Governments announced core referendum limit for shire counties and Unitary Authorities (UA).

Legislation required that the Authority set, before 1 March, a level of revenue budget and Council Tax for the forthcoming financial year to inform each of the four Council Tax billing authorities within the area of Avon, of the level of precept required by the Authority for 2023-24.

The Interim Treasurer advised that he was aware that restraints had been placed on referendum limits. In recent years Avon Fire Authority (AFA) had been constrained by a limit of 2% and had not considered going above this. However, some Authorities were in a strained situation and considering higher limits. It was pointed out that the AFA now had flexibility to select a £5 flat rate, which was welcome news.

The Interim Treasurer drew Member's attention to the key considerations highlighted in paragraph 5. The Local Government Finance Settlement followed the Autumn statement and allowed an increase in our Government grant of 10.1% in line with CPI.

There was also some disappointing news, in the current financial year we had received a Services grant obtained through Government which had been reduced from £752k to £424k.

Member's attention was drawn to Table B on p27, which showed an increase in the council tax base, which resulted in an increase of £400k into our revenue budget. In addition, the council tax deficit was smaller than in previous years.

Paragraph 5.11 provided clarification on the two options available. Option 1 – an increase of £5 for Band D (less than 10p a week). Option 2 is an increase of 3% which equated to less than 5p a week. If option 2 was selected in 2023/24, the AFA would have to look to reserves to balance the £1m shortfall.

It was a legal requirement to consult with businesses and the public concerning the precept which had been completed. 329 responses had been received, 78% in agreement that the Service offered value for money in terms of its spending and 75% responded that it was reasonable to increase council tax by £5.

The Interim Treasurer pointed out that Table F confirmed changes in business rates. The Service does not collect this so is reliant on UAs to advise the revenue they collect in 2023/24.

Member's attention was drawn to paragraph 5.22. Revised copies of the appendices had been provided to reflect the revised pay offer for Grey book staff of 7% in 2022 and 5% in 2023. Money would be moved from contingency funds to cover the financial impact of the revised offer.

There was £1m revenue difference between option 1 and 2 and if option 2 was selected, the Interim Treasurer would look to other options to balance the budget.

The Interim Treasurer, reassured Members that under Section 25 of the Local Government Finance Act 2003, the budget and level of reserves were adequate to get through 2023/24. The budget was robust for 2023/24 and level of reserves

were adequate but could be improved. If the £5 option was not chosen, the Service could make use of its reserves but in terms of future budgets that would cause difficulties. There are significant risks associated with the budget around future funding and cost implications.

The Interim Treasurer then reviewed the Medium-Term Financial Plan (MTFP) from p57 on the agenda, before taking Members questions.

A Member hoped that AFA was reassured and that there was confidence in the plans proposed. It was added that the AFA had a responsibility to provide key statutory services and to prevent risk to communities. Despite the increased cost of living faced along with the large increase in inflation, it was suggested that Members opted for option 1.

It was noted that firefighters must be protected with the right equipment. A Member pointed out that although the number of additional homes had increased, which would provide additional precept, these properties would also require protection. Therefore, the Member was happy to support option 1.

Appendix 7 highlighted the reserves which AFA expected to start the year with. A Member asked which of the reserves does the £600k come out of in option 1 and the £1.6m in option 2. The Interim Treasurer advised that the £600k in option 1 is not there to balance the budget, it was investment previously agreed by the AFA to fund specific projects. The £1m for option 2 would have to come from reserves and a review of our reserves and strategy would be required. The Head of Finance confirmed that the £600k was allocated to the transformation project and also for posts within Business Fire Safety which had received a specific reserve received from the Home Office.

A Member asked about the impact on reserves in 2023/2024 and the long term if option 2 was voted for. The Interim Treasurer advised that the Service would look to reserve balances initially. Beyond that, savings would be required leading up to 2025/26. The CFO advised that the Service could possibly use some reserves but would have to look at efficiency and infrastructure changes to fund this. The Service had a saving plans which had not been used recently but the MTFP assumptions would clearly be a deficit in our revenue and how we would look at efficiencies in the long term.

A Member mentioned inflation and potential pay increases and proposed that as the AFA had the £5 option available it should be taken. He would like to propose option 1.

A Member thanked the Interim Treasurer and Head of Finance in obtaining a balanced budget. In respect of making efficiencies in the future, this would mean cuts and as an Authority, they could only cut so much before failing in its duties. It was felt that the AFA needed to be realistic with the public, as it could possibly not be able to meet its obligations in coming years. They mentioned that the AFA should not take this decision lightly as residents were suffering from the cost-of-living increases, but it did need to meet obligations.

The recommendation was moved by Cllr Hopkinson and seconded by Cllr Eddy.

It was **RESOLVED** that Avon Fire Authority:

- a) Considered the information contained in this report.
- b) Agreed a Revenue Budget and Band “D” Council Tax level for 2023/24.
- c) Agreed that the Fire Authority’s basic amount of Council Tax (i.e., precept per Band D property) for 2023/24 is increased to:
  - 1) Option 1 - £82.95, an increase of £5 (6.41%) equivalent to less than ten pence per week.
- d) Made the statutory determinations which are set out in Appendix 1, based upon the 2 options contained in the report
- e) Agreed that precepts be issued to the Unitary Authorities in the Avon Fire Authority area in proportion to the tax base determined by them as detailed in paragraph 5.14 of this report.
- f) Noted the amount of Council Tax for 2023/24 for properties in each tax band is:

Amount per Council Tax Band	Option 1 Value
Band A	£55.30
Band B	£64.52
Band C	£73.73
Band D	£82.95
Band E	£101.38
Band F	£119.82
Band G	£138.25
Band H	£165.90

## 82. MEDIUM TERM FINANCIAL PLAN 2023 TO 2027

The Interim Treasurer presented the report which provided the AFA with an update on the requirement to produce and publish a Medium-Term Financial Plan (MTFP), which is incorporated in the Fire and Rescue National Framework for England. This report provided the AFA with an updated MTFP covering the financial years 2023/24 to 2026/27.

This 4-year Financial Strategy showed a forecast budget shortfall of £1,9m in 2026/27, based upon Option 1 within the Revenue Budget and Council Tax levels report. This forecast increased to £2.9m should Option 2 of that report be approved.

The Authority had three primary sources of income; Council Tax Precept, Government Grants and Locally Retained Non-Domestic Rates. The 4-year Financial Strategy had been based on the 2023/24 Annual Budget Income levels with assumptions made in relation to changes in funding over the following three years.

The Interim Treasurer advised that it was difficult to predict what would happen in the future and over the next 3 years, so he had been prudent with the forecasts. It was advised that there had been some assumptions made of funding in table 1 and after 2023/24, AF&RS would receive some support with the revenue grant on the basis that inflation comes down. It had also been assumed that council tax would return to the 2% limit as the Service needed to plan without it.

It had been assumed that pay costs would return to normal levels. The Interim Treasurer advised that there seemed to be an expectation that there would be savings made in the fire sector in the future and money would be required to cover future pay awards and spending pressures from our existing budgets. It was mentioned that it is expected that difficult decisions would need to be made over the next few years.

Following the revised pay offers, Members were provided with two amended appendices.

The recommendation was moved by Cllr Nutland and seconded by Cllr Smith.

**It was RESOLVED that Avon Fire Authority:  
Approved the 4-year Medium-Term Financial Plan, as detailed in the report and its appendices.**

Members took a break.

The CFO advised that as a result of Member's decision in Items 7 and 8 and Option 1 precept £5, in 2024/25 onwards there would still be a funding deficit. It was advised that the CFO would bring a paper to Members at a future meeting, concerning how the AFA would move forward to balance budgets.

### **83. TREASURY MANAGEMENT STRATEGY 2023-2026**

The Fire Authority received a report from the Interim Treasurer who provided an update on the proposed Treasury Management Strategy for the period 2023/2026. This strategy was based on the previously approved 2022/2025 Treasury Management Strategy and provided an updated position for the Fire Authority.

The majority of the Treasury Management functions were undertaken on behalf of the AFA by Bristol City Council (BCC), working with the Head of Finance and Treasurer, in accordance with the terms of the Financial Services Contract. BCC provided all of the financial indices and financial forecasts which supported this Strategy. Whilst BCC provided the AFA with its Treasury Management services, the AFA had overall responsibility for the implementation and regular monitoring of its Treasury Management policies and practices.

The strategy contained a refresh by BCC with narrative around the increased cost pressures. From an AFA point of view, the Interim Treasurer would not propose any changes for 2023/24 but the newly appointed Statutory Finance Officer may take a different view once in post. It was pointed out that there was



one change, as outlined in paragraph 5.3 of the report, where it is planned for an investment to be made at a higher rate of interest.

It was advised that BCC had been instructed to invest £5m in a fixed rate deposit and details would be provided to Members at a later date. A Member asked whether BCC would use their own broker to negotiate the rate and why AFA did not negotiate ourselves. Another Member advised that previously it was felt that the amount of money the AFA had to invest was too small and to mix with bigger organisations would give us more leverage.

The recommendation was moved by Cllr Eddy and seconded by Cllr Monk.

**It was resolved that Avon Fire Authority:  
Approved the Treasury Management Strategy for 2023 / 2026.**

#### **84. RECRUITMENT OF ASSISTANT CHIEF FIRE OFFICER**

The report was withdrawn from the papers as the vacancy is no longer available.

Member request to speak, granted by the Chair:

The Police & Crime Commissioner (PCC) advised that he had completed some background work on Gallantry Awards for the 3 Emergency Services. This began after attending an awards dinner for police gallantry, where those recognised did not receive a nationally recognised medal. The PCC undertook some research to see if it was possible to establish a medal for all 3 services. A new pamphlet was being written in conjunction with the Cabinet Office for the Police. This would be offered to fire and ambulance as a mechanism to allow recognition and to win gallantry medals. These will be classed from 1- 4. Class 1 George Cross for acts of greatest heroism and courage, Class 2 George Medal, Class 3 Kings Gallantry Medal, Class 4 Kings Commendation for Bravery. It would be made as easy as possible for Services to put forward nominations for medals and further details would be passed on when available.

The CFO supported this initiative and advised that the Service had staff who acted selflessly to serve their communities. A nomination was made following the sad loss of Fleur Lombard, for an operational firefighter who was awarded the George Cross and two other firefighters who were awarded the Queens Gallantry Medal. AF&RS staff carried out selfless acts every day and this would be a welcome channel for us to nominate out staff.

Members supported the proposal and asked to be kept updated.

#### **85. DATE OF NEXT MEETING**

**It was RESOLVED that Avon Fire Authority noted the date of the next meeting as being Wednesday 29 March 2023 at 14.00hrs.**

**86. EXCLUSION OF THE PRESS AND PUBLIC**

The recommendation was moved by Cllr Massey and seconded by Cllr Bromley.

**It was RESOLVED that the public be excluded from the meeting during the following items of business on the grounds that they contained exempt information pursuant to Schedule 12A, Part 1 of the Local Government Act 1972 and that in accordance with Schedule 12A, Part 2, paragraph 10 of the Local Government Act 1972 the public interest in maintaining the exemption outweighs the public interest in disclosing the information.**

**87 BEDMINSTER FIRE STATION REFURBISHMENT CONSTRUCTION CONTRACT AWARD**

The AFA received a report from the Property Services Manager which outlined that Bedminster Fire Station was identified as a strategic key site which needed significant investment.

The meeting closed at 12.42hrs

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Chair