



SCOTTISH
FIRE AND RESCUE SERVICE

Working together for a safer Scotland

**MEETING: SCOTTISH FIRE AND RESCUE SERVICE (SFRS) BOARD
THURSDAY 26 FEBRUARY 2015
PERTH MUSEUM & ART GALLERY, 78 GEORGE STREET, PERTH, PH1 5LB**

PRESENT: Pat Watters CBE (*Chair*); Kirsty Darwent (*Deputy Chair*); Jimmy Campbell; Bob Benson; Marieke Dwarshuis; Dr Michael Foxley; Sid Patten; Martin Togneri; Bill McQueen

IN ATTENDANCE: Alasdair Hay (*Chief Officer*); Alex Clark (*Deputy Chief Officer*); Robert Scott (*ACO/Strategic Planning, Performance & Communications*); Dave Boyle (*ACO/Service Delivery*); Lewis Ramsay (*ACO/Director Prevention & Protection*); Sarah O'Donnell (*Director/Finance & Contractual Services*); Diane Vincent (*Director/People & Organisational Development*); Kenneth Fraser (*Business Manager*); Jo-Anne Breckenridge (*Minutes*).

ACTION

1 CHAIR'S WELCOME

Pat Watters welcomed everyone to the meeting and informed Members there would be a private session at the end of today's Board meeting to provide an update on the progress of the pay and reward negotiation meetings. As discussions are still on-going with the Trade Unions it would not be appropriate to have this discussion in public. Members will also be given an update on the outcomes of Balmoral Bar Court Case and last year's Audit Scotland inspection of the Service

2 APOLOGIES

- Neil Pirie (*Board Member*);
- Robin Iffla (*Board Member*);
- Grant Thoms (*Board Member*);
- David Goodhew, *ACO/Director Response & Resilience*;
- Peter Murray, *ACO/Service Transformation*.

3 DECLARATION OF INTERESTS

None.

4 MINUTES OF PREVIOUS MEETING: 29 JANUARY 2015

Page 9 Item 13 – Specialist Resources Review - Martin Togneri commented on the change in the proposals for resources at Alloa Fire

Station and commented there was no record of a conclusion to seek assurance that this had been communicated to the relevant Local Authority. He further advised he had received a complaint from the Convenor of Clackmannanshire Council's Scrutiny Committee on this issue. The Chief Officer commented that no assurance was given to the Board on this issue, ACO Goodhew had advised at the meeting that once the changes had been made neither he nor the LSO had gone back to speak to Clackmannanshire Council. The complaint from Clackmannanshire Council is currently being addressed and subsequent engagement had taken place with them. The Board noted a report will come forward to the Local and Stakeholder Engagement Committee on this issue, allowing valuable lessons to be learned as we improve upon engagement.

Some matters were raised in regards to accuracy within the minutes relating to actions captured within the action log and correlating with the minutes. Jimmy Campbell will liaise with the Business Support Team to address these.

J CAMPBELL/BST

With the above amendments, the minutes of the Board meeting held on 29 January 2015 were approved as an accurate record.

Matters Arising
None

5 ACTION/DECISION LOG

Members noted the updated Action and Decision Log.

6 CHAIR'S REPORT

The Chair updated Members in regard to events which had occurred since the Board meeting held on 29 January 2015, highlighting the following:

- In conjunction with the Members of the Staffing Committee, the Pay and Reward negotiation meetings have been the focus of the Chair's diary over the last month;
- Attended meeting with Minister on 18 February, a note of the meeting will be circulated to Members in due course.

7 CHIEF OFFICER'S REPORT

The Chief Officer updated Members in regard to events which had occurred since the Board meeting held on 29 January 2015, highlighting the following:

- Involved in selection interviews for Area Managers. For LSO appointments part of the legislation directs the SFRS to consult with Local Authorities, and the Service is currently engaged in this process. When this has concluded successful candidates will be announced;
- Attended Partnership Advisory Group on 4 February, items discussed were the proposed monthly pay frequency and leased car scheme. The leased car scheme was verbally agreed by the FBU, however SFRS and the FBU were unable to reach agreement on the monthly pay frequency and the FBU have requested this is escalated to the NJC Joint Secretaries, a resolution procedure within the NJC;
- Ongoing engagement with staff, carried out face to face visits at Central area fire stations on 10 February;
- Attended Reform Collaboration Group meeting on 19 February; a comprehensive set of data in regards to current partnership working has been established. Looking at the challenge set by Chairs to save £1million through collaborative working. Also met with Pauline Howie, Chief Executive, Scottish Ambulance Service, and discussed opportunities for joint working. Reports will come forward as this progresses;
- SFRS pled guilty to charges under the Health and Safety at Work Act in relation to the Balmoral Bar Court Case. Proceedings have been adjourned until 20 March when the Service will hear the Judge's sentencing comments;
- Had an early meeting with Audit Scotland regarding the performance audit they conducted late last year, they are going to report broadly across 3 areas: the conduct of how the service has been brought together, emerging governance structures and long term financial planning. The Service should receive a draft report at the beginning of April and this will be laid before the Public Audit Committee at the end of May by the Auditor General. Initial feedback from Audit Scotland is positive for the SFRS.

Jimmy Campbell commented that the Partnership Advisory Group (PAG) wasn't a negotiating forum and asked if this had changed in light of the Chief's report. He was reassured that it had not.

The Chief Officer provided the Board with an overview of the selection process for Area Managers and the engagement process with Local Authorities as part of that.

It was agreed the Chief Officer would circulate an overview of areas being looked at by the Reform Collaboration Group to Members.

**CHIEF
OFFICER/BST**

8 COMMITTEES UPDATE

As this was a special board meeting to consider the budget only, the Board agreed that Committee update reports would be presented at the March Board meeting.

9 CAPITAL BUDGET 2015 - 2018

Sarah O'Donnell presented a report seeking approval of the Capital Budget 2015-2018. The total proposed expenditure over the 3-year

period is £91.120m, primarily funded by Capital budget provision from Scottish Government, plus estimated capital receipts from Strategic Intent and other disposals. Investments have been targeted based on 4 key principles, those being to maintain and enhance firefighter safety; to establish the infrastructure of the Service; to maintain acceptable standards for fleet and property and to implement approved strategies. The principles and considerations in relation to the Capital Programme were highlighted to Members, these were also outlined to Members in detail at a previous Board development session.

The Board made the following comments:

- Commented on what inflation assumptions have been made in regards to the budget. Sarah O'Donnell referred Members to budget risks (Appendix C) which was not available at the Board development session but has been brought forward. She commented that in terms of the probability and impact of prices, it is probably a reflection of the property market and the understanding from the property team is that inflation is fairly high. She assured the Board a fairly significant level of inflation has been built in over the period but recognises that again this is subject to market forces and it is a 3 year programme. Also aware of inflation and prices in remote/rural parts of Scotland and will bear that in mind in terms of the programme;
- Encouraged the Service to have an exhaustive list as possible for opportunistic funding;
- Requested regular updates in regards to the capital plan. As members attend Community Planning Partnership (CPP) Meetings and the potential for partnership work across Scotland, it would be good to know what has been legally committed and what is being considered. Sarah O'Donnell commented an overview can be provided as we get towards the end of the year;
- Commented on the new Headquarters build noting it was an ambitious timeline and if we were not able to achieve the amount of spend in 2016/17 it would affect the profile. Sarah O'Donnell commented the Service is currently working hard on this, hopefully bringing a report to the Board in March for a decision on Headquarters. In terms of the timing, she advised the first year would be around design and procurement and the second year would be around the build process. If there were delays, it was hopeful these would be a matter of months and therefore we could review the programme and make adjustments. Alex Clark advised he was meeting architects and consultants assessing the suitability of all the sites and further advised he will engage with all Board members prior to the March Board meeting to discuss the how the proposals are developing and the methodology involved;
- Sarah O'Donnell provided an update on marketability in regards to Capital Receipts;
- Sarah O'Donnell provided more information on the Environmental Investment Fund;
- The Board were given assurance that provision for additional hydraulic equipment had been built into these figures under the operational equipment programme.

Members approved the Capital Budget for 2015-2018, recognising that figures for years 2 and 3 are indicative and will be refined in future years.

10 RESOURCE BUDGET 2015 - 2016

Sarah O'Donnell presented a report seeking approval of the Resource Budget for 2015/16. The total Resource Budget for 2015/16 will be set at £259.221million, in line with resource budget funding from the Scottish Government. The budget makes provision for the cost of all anticipated staff in post during 2015/16, including an estimated pay award of 1%. A number of savings are anticipated from the implementation of Strategic Intent, the HR/Payroll system, and the new breathing apparatus contract, as well as from decommissioning some legacy ICT systems and infrastructure. Containing operational overtime within budget will be a key challenge, to be addressed through the Resource Working Group; and further savings targets will be assigned to budget holders. Members were referred to Appendix A, which provided detail of areas and spend and Appendix C, which provided a risk analysis.

The Board made the following comments:

- Raised the issue of Firelink and asked for some assurances around this. Sarah O'Donnell commented that the SFRS will take over the budget for Firelink in April 2015. She agreed this is a risk but there is no indication that this will cause an issue in 2015/16 as the Service take on the budget. The service will continue to engage in the Firelink Programme, having a broad range of input from an ICT, Specialist Technical, Financial and Operational perspective;
- Commented on increased transport costs. Sarah O'Donnell commented in preparing the budget we had also looked at the current forecast expenditure, which shows an overspend in relation to transport (due to additional travelling). Therefore transport costs have been built in giving realistic expectations of what the Service is spending in that area, but looking to reduce this in future years.

Members approved the Resource Budget for 2015/16.

11 CAPITAL MONITORING REPORT 2014/5 – JANUARY 2015

Sarah O'Donnell presented a report informing Members in relation to actual and committed expenditure against 2014/15 capital budget for the period ending 31 January 2015. The capital programme is progressing well and it was anticipated the capital budget would be fully spent by the end of the financial year.

Members noted the level of actual and committed expenditure for the period ending 31 January 2015.

The Board commented on the profile of spend, asking that, as the organisation matures, if the profile will be more even than has been seen in the last few years. Sarah O'Donnell commented this depends what the Service is buying and when it can commit the expenditure but was confident the Service can improve its knowledge and understanding

of what the profile spend will be going forward.

12 RESOURCE BUDGET MONITORING REPORT – JANUARY 2015

Sarah O'Donnell presented a report informing Members of the resource budget position for the period ending 31 January 2015. She outlined the analysis of the financial position and referred Members to Appendix A, which identified a current underspend against budget of £969,000 and a forecast position of £661,000. Appendix B provided an explanation of the significant variances and outlined proposed actions to address these. As requested by the Board, Appendix A also included variances as percentages.

Members noted the Resource Budget position for the period ending 31 January 2015.

The Board made reference to the Retained Duty System budget and when the budget will reflect the ongoing work of the Director of Service Transformation - ACO Murray's RDS project group. The Chief Officer advised there are plans to run a national recruitment campaign during April which will complement the local campaign. There are a series of milestones to improve the RDS situation and ACO Murray will draw these all together.

The Board commended and congratulated the Director of Finance and Contractual Services and the wider Finance team for all the work done in relation to the budget.

The Board commented on the core brief section that was included in all reports. The Board commended this process, commenting that this will help staff across the organisation have a better understanding of the work the Board is doing to gain assurances around the effective delivery of the Service's priorities

13 DATE OF NEXT MEETING

Thursday 26 March 2015 at 10am in Ayr.