



MINUTES

RESOURCES COMMITTEE

DATE	Friday 16 March 2018	TIME	10.30 am
VENUE	Committee Room 4, Lower Ground Floor, City Hall,		

Minutes of the meeting of the Resources Committee held in Committee Room 4, Lower Ground Floor, City Hall, on Friday 16 March 2018.

Present:

Dr Fiona Twycross AM (Chair)	Councillor Rachel Blake	Councillor Mehboob Khan
Andrew Dismore AM (Vice-Chair)	Councillor Susan Hall AM	Councillor Martin Whelton

1. Apologies for Absence

Apologies for absence were received from Gareth Bacon AM, Councillor Caroline Russell AM and David Kurten AM.

2. Disclosures of Interests and Dispensations

Resolved – That the details of membership of the GLA, other functional bodies and London Boroughs, as attached as an appendix to the agenda, be noted. No further disclosures were made.

3. Minutes

Resolved – That the minutes of the meeting of the Resources Committee held on 12 January 2018 be agreed as a correct record.

4. Summary List of Actions - Resources Committee - FEP 2824

Report by the Clerk to the Authority.

Officers responded to questions from Members regarding the outstanding action from the Resources Committee meeting on 21 July 2017 – a Members visit to the LFB Training Centre (Croydon) to be arranged in Autumn 2018. Officers confirmed that that action would be carried over into the new governance arrangements and that Members of the GLA's Fire, Resilience and Emergency Planning Committee would be invited to attend the visit.

In regard to the outstanding action from the meeting on 15 September 2017 relating to the Ultra Low Emission Zone (ULEZ), the Head of Procurement and Technical and Service

Support agreed to investigate and update Members on the latest discussions regarding a solution for neighbouring FRAs and compliance with ULEZ when providing mutual assistance within the London area.

The motion was made by the Chair – That the ongoing and completed actions arising from previous meetings of the Committee, as set out in the report, be noted.

The motion was seconded by Andrew Dismore AM, put and agreed.

Resolved – accordingly.

5. **2018/19 Budget - FEP 2825**

Report by the Director of Finance and Contractual Services.

The Head of Finance introduced the report setting out the 2018/19 budget which was for the approval of the Authority and adoption by the London Fire Commissioner. He confirmed that the report presented a balanced budget for the first two years, following movements on the budget flexibility reserve, but with a budget gap of £10.2m by 2021/22. There had been adjustments from the position in January as outlined in paragraph 17. Risks were outlined in Appendix 5. There was a key risk on pension costs and provisional results from the valuation of the Firefighter Pension Scheme were expected shortly. The report also reflected a change to LFEPA's funding provided in the Mayor's final budget which was outlined in paragraph 10. This provided temporary additional funding from the business rates of £11.7m over two years to offset the impact on the capital receipt from the Southwark Fire Station site following further discussions on the level of affordable housing. Although the final decision on the disposal of the Southwark site had not yet been made, a report on the current position was on today's agenda at item 12.

The Head of Finance, along with the Head of Legal and Democratic Services, and the Head of Procurement and Technical and Service Support answered questions from Members relating to: the process used to estimate the cost of moving to the new governance arrangements following the abolition of the Authority; prosecutions regarding regulatory offences related to the Grenfell fire; the timetable for acquiring extended aerial appliances; and the use of reserves.

The motion was made by the Chair – That the Committee recommends the Authority to agree that –

- (1) Subject to decisions below, a 2018/19 revenue budget of £386.8m be approved, being made up of net expenditure of £401.1m with £6.5m funding from earmarked reserves, £12.2m funding from specific grants and a payment of £4.4m to the budget flexibility reserve;
- (2) The revenue estimates, as set out in Appendices 1, 3 and 4, showing proposed savings, growth and budget movements, are approved;
- (3) The establishment changes associated with the revenue budget, as set out in Appendices 1, 3 and 4, are approved; and
- (4) The capital programme with gross expenditure in 2018/19 of £39.1m, as set out in Appendix 6, be approved.

The motion was seconded by Andrew Dismore AM, put and agreed.

Resolved – accordingly.

6. Financial Position as at the end of December 2017 - FEP 2826

Report by the Director of Finance and Contractual Services.

The Head of Finance introduced the report which confirmed a forecast underspend of £4.7m, the main area of which related to operational staff vacancies. The forecast underspend had reduced by around £0.5m since the quarter 2 report which was mainly due to an increase in operational overtime largely as a consequence of the level of vacancies. There had been some additional over-spending, in particular where it had been possible to accelerate improvements to the estate, but this was offset by underspending on property rates. The report also sought approval to settle the FRS pay claim for 2017/18 at 1%, plus a non-consolidated payment of £300 (as detailed in paragraph 15).

The Head of Finance, along with the Head of Legal and Democratic Services, the Interim Head of Human Resources, the Director of Safety and Assurance and the Head of Procurement and Technical and Service Support answered questions from Members on: the FRS pay settlement which had been extended to all applicable grades, rather than just grades B and C as was offered at the Joint Council (officers agreed to provide Members with the additional cost of the pay agreement); the continuing investigations being carried out by the Director of Operations concerning the Vision mobilising system and the related mutual assistance issues; the risk relating to Mobile Data Terminal theft (officers agreed to provide Andrew Dismore AM with a previous Financial Position report which dealt with this matter); the recovery of 'shut in lifts' debts; and the absence management policy.

The motion was made by the Chair – That:

- (1) The report be noted; and
- (2) The Committee agrees to settle the 2017/18 FRS pay claim on the basis of a pay increase of 1%, plus a non-consolidated one-off payment of £300 and a salary progression increase of 2.5%, as set out in paragraph 15 of the report.

The motion was seconded by Andrew Dismore AM, put and agreed.

Resolved – accordingly.

7. Treasury Management Strategy Statement for 2018/19 - FEP 2827

Report by the Director of Finance and Contractual Services.

The Head of Finance introduced the report which set out the Treasury Management Strategy Statement for approval by the Authority, to be adopted by the London Fire Commissioner. The report included prudential indicators and treasury management principles, the Group Investment Strategy (GIS) and an economic background statement prepared by the GIS treasury management advisers, Link Asset Services. The Authority continued to be part of the GIS managed by the GLA. Reporting now drew heavily on templates prepared by the GLA which helped to provide consistency across the GLA group.

The motion was made by the Chair – That the Resources Committee recommends the Authority approves the contents of the Treasury Management Strategy Statement.

The motion was seconded by Andrew Dismore AM, put and agreed.

Resolved – accordingly.

8. Truck Cartel - LGA Group Litigation - FEP 2828

Report by the Head of Legal and Democratic Services.

The Head of Legal and Democratic Services introduced the report which set out the background to the European Commission's identification of an infringement by a cartel of truck producing companies during the period 1997 to 2011 to artificially inflate the costs of trucks, and the LGA's initiation of a group litigation for FRAs, amongst others, to seek related damages.

The motion was made by the Chair – That the report be noted and the Committee considers the further report in Part 2 of the meeting.

The motion was seconded by Andrew Dismore AM, put and agreed.

Resolved – accordingly.

9. London Fire Brigade Enterprises Business Plan 2018-2021 - FEP 2829

Report by the Director of Finance and Contractual Services.

The Head of Finance introduced the report which set out the LFBBe business plan, including forecast turnover/profit for the period 2018-2021, prepared by LFBBe Directors, which showed a stepped change in turnover.

Leonor Stjepic, Chair of the Board of Directors of LFBBe, and Steve Hamm (Vice-Chair of the Board) addressed the Committee, explaining that the precise areas of focus of the Business Plan centred around 2 main topics, namely the provision of premium quality, high-end, workplace fire training and consultancy within London, with an additional third strand relating to merchandising. Ms Stjepic, Mr Hamm and the Head of Finance answered questions from Members regarding various issues such as: LFBBe's relationship with existing LFB contractors Babcock and Capita; Directors' and staff pay: cost recovery and use of Brigade resources; transparency and Brigade management's oversight of the business; and the future process for making budget assumptions on LFBBe income.

The Chair thanked Ms Stjepic and Mr Hamm for attending.

The motion was made by the Chair – That the Committee, on behalf of the Authority (as shareholder of the company), approves the proposed Business Plan for LFBBe for the period 2018-2021.

The motion was seconded by Andrew Dismore AM, put and agreed.

Resolved – accordingly.

10. **Attendance Update - FEP 2830**

Report by the Interim Head of Human Resources.

The Interim Head of Human Resources introduced the report which detailed sickness absence and related information to 31 December 2017. She drew the Committee's attention to: Appendix 4 - an analysis of absence by age group – which showed higher absence for operational staff aged 50-59 and paragraph 12 which set out work underway to support healthy lifestyle and fitness to help address that trend; Paragraphs 21 and 22 which identified an increase in absence cases and counselling referrals attributed to the Grenfell Tower incident and officers' view that that trend was likely to continue in the coming months; and work on strategies to reduce absence and improve attendance levels, particularly for front line staff, which included an improved specification for the occupational health service and a dedicated health and absence management team, in addition to the changes to the absence management policies previously agreed by the Committee.

The Interim Head of Human Resources, along with the Head of Legal and Democratic Services, answered questions from Members regarding attendance information being reported to the new Fire, Resilience and Emergency Planning Committee.

The motion was made by the Chair – That the report be noted.

The motion was seconded by Andrew Dismore AM, put and agreed.

Resolved – accordingly.

11. **Firefighter Recruitment - Update - FEP 2831**

Report by the Interim Head of Human Resources.

The Interim Head of Human Resources introduced the report. She was pleased to confirm that the suspension of the requirement for firefighter applicants to reside in London and hold a full driving licence had delivered a significant increase in applicant numbers in the October recruitment campaign and expected this to translate into 200 successful appointments. The next campaign, which launched on International Women's Day, had been designed to target women applicants and received positive coverage in the media. The campaign would be closing in mid April and to date there had been around 11,000 visits to the campaign website, and where gender was identifiable, 28% of those were from women. There had also been 15,000 visits to the application job site with around 30% of those from women. As predicted, the removal of the London residency requirement did impact negatively on the proportion of BAME applicants. The report therefore set out more detail on the work being undertaken by the new Outreach Team.

Divya Patel, who leads the Outreach Team, addressed the Committee on the various initiatives currently in place to improve recruitment of women, such as the very successful 'attraction days' that had taken place. She confirmed that officers were also looking in depth at various ways to attract more BAME applicants and had recently commissioned detailed research to help officers better understand the drawbacks to the BAME community in choosing the Brigade as a career and to help officers to tailor the Brigade's strategies more

effectively to combat that. Previous best practice had shown that outreach activity was most effective regarding BAME applicants when carried out at grass roots level and officers were also linking up with a number of local events in London to encourage more BAME applications.

The Interim Head of Human Resources, along with the Director of Safety and Assurance and Ms Patel answered questions from Members regarding: conversion of the Firefighter Development programme into an apprenticeship and the related funding/budgeting; the policy and processes involved in trainee firefighters acquiring driving licences; and future benchmarking of successful applications to determine the impact of the policy changes relating to driving licences and London residency.

The motion was made by the Chair – That the report be noted.

The motion was seconded by Andrew Dismore AM, put and agreed.

Resolved – accordingly.

12. Disposal of Southwark Fire Station - FEP 2832

Report by the Head of Procurement and Technical and Service Support.

The Head of Procurement and Technical and Service Support introduced the report which set out the latest position on the disposal of the Southwark Fire Station site. At the end of January 2018, the London Borough of Southwark had granted planning permission to the developer, subject to certain conditions being met, and the matter was now to be referred to the Mayor for decision. Accordingly, the developer had made a request that the long stop date be extended to the end of July 2018. Discussions between the Council, the GLA and the developer were ongoing regarding the provision of affordable housing and, following a valuation by G.L. Hearn, there had been an adjustment to the purchase price to £42.2m. The GLA wrote to the Director of Finance and Contractual Services in late February (as set out at Appendix 1 to the report) with the necessary administrative amendment to previous Mayoral Directions. Officers were in discussion with the GLA about the possible need for a new Mayoral Direction on the disposal once the new governance arrangements for the LFB were in place, though it was anticipated that those new arrangements would not alter the 'best consideration' requirements.

The Head of Procurement and Technical and Service Support answered questions from Members and confirmed that there had been no indication of any changes to the plan for part of the site to be developed as a school.

The motion was made by the Chair – That the Committee:

- (1) Receives the administrative amendment to the Mayoral Directions and notes its contents;
- (2) Agrees that the longstop date for this development is extended to 31 July 2018 for the reasons detailed in the letter attached as Appendix 1 to this report;
- (3) Authorises the Director of Finance and Contractual Services to undertake all necessary actions to extend the long stop date in the Sale Contract; and

- (4) Notes that the final decision on the sale will be taken under the new governance arrangements.

The motion was seconded by Andrew Dismore AM, put and agreed.

Resolved – accordingly.

13. Urgent Business

There was no urgent Part 1 business, though the Chair noted that this was the final meeting of the Committee and on behalf of Members she thanked all staff for their hard work and professionalism in servicing the Committee at its many meetings over the years and in dealing with the quite significant amount of follow-up work that the Committee has generated.

14. Exclusion of Press and Public

Resolved – That the press and public be excluded from the meeting in accordance with paragraph 5 of Schedule 12a of the Local Government Act 1972 (as amended) in order to consider the following items of business.

15. Truck Cartel - LGA Group Litigation - FEP 2828X

Report by the Head of Legal and Democratic Services.

The Head of Legal and Democratic Services introduced the report.

In response to questions, the Head of Legal and Democratic Services agreed to raise the issue of funding arrangements with the LGA steering committee and report further.

The motion was made by the Chair – That the Authority join the LGA Truck Cartel group litigation and authorise the LGA to instruct solicitors on their behalf.

The motion was seconded by Andrew Dismore AM, put and agreed.

Resolved – accordingly.

16. Urgent Business

There was no urgent Part 2 business.

The meeting ended at 11.40am

Signed By:

Chair

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