

**HIGHLAND AND ISLANDS FIRE BOARD
POLICY AND FINANCE WORKING GROUP**

Minutes of Meeting of the **Policy and Finance Working Group** held in Council Headquarters, Glenurquhart Road, Inverness on **Friday, 22 August 2008** at **10.30 a.m.**

Present

Representing the Highland Council

Mr R Durham
Mr D Flear
Mrs M Paterson

Mr J Gray
Mr J Ford

Representing Comhairle nan Eilean Siar Mr N Macleod

Representing Orkney Islands Council Mr A Drever

Representing Shetland Islands Council Mr A Cooper

Officials in attendance:

Mr B Murray, Chief Fire Officer
Mr H Henny, Assistant Chief Fire Officer
Mr A MacAllister, Highlands and Islands Fire and Rescue Service (HIFRS) Head of Corporate Services
Mr M Jenks, HIFRS Finance Manager
Mr D Robertson, Treasurer's Office
Ms M Morris, Clerk
Mrs R Moir, Assistant Clerk
Ms L Lee, Clerk's Office
Mrs C Nicoll, Clerk's Office (for Item 1)

Mr A Drever in the Chair

1. Estate Condition Working Group visit to Strathclyde

There had been circulated Note of the findings of the visit to Fire Stations in the Strathclyde Fire and Rescue area undertaken by members of the Estate Condition Working Group on 11 and 12 August 2008.

Photographs of the various stations visited were presented to the Group. A verbal summary of the findings of the visit was given, with points made including that:

- there was not a level playing field in terms of funding arrangements for Fire and Rescue Authorities. Historically funding had been based on the number of full time fire fighters in a Fire and Rescue Service and this had given more scope to authorities with large numbers of full time fire fighters to direct funding to retained stations and for these facilities to be built to a higher specification (reducing future maintenance costs); authorities such

as HIFRS, with a majority of retained fire fighters, had been unable to do this

- the building specifications and planning regulations in Strathclyde allowed for (i) the use of soft wood for door surrounds and skirting, (ii) “reverse-in” rather than “drive-through” garages, (iii) no requirement for installation of exhaust extraction systems in small garages and (iv) metal buildings.

The Service was in the process of recruiting a Property Manager, part of whose remit would also be to look at the current HIFRS building specifications in light of the building and planning requirements in place in Strathclyde.

The Working Group **NOTED** the information given, and in particular that negotiations were currently taking place with Caledonian Economics on developing a funding strategy document which would highlight the future financial needs of the Service and provide information for prudential funding purposes, with a view to strengthening the Board’s business case for an increase in funding.

The Working Group also **AGREED** to recommend to the Board that the FRS Head of Corporate Services and The Highland Council Project Manager meet with the Highland Council’s Education, Culture and Sport Service to progress a proposed partnership venture at Lochaline and provide an update to a future meeting.

2. Future Financial Strategies

A presentation was given by the FRS Head of Corporate Services providing an overview of the current financial pressures on the Service. He pointed out that the HIFRS had the second largest property and vehicle portfolio of any Fire Service and approximately 1500 employees, making it one of the largest in Scotland, except in its budget. The Service faced considerable challenges in both its revenue and capital budgets. In capital terms there was an urgent need to upgrade its estates and vehicle fleet, whilst revenue challenges included pensions, training, Firelink and energy costs. He suggested that the way forward for the capital challenge was contained within the Board’s own previously agreed Capital & Asset Management Strategy, with particular emphasis on prudential borrowing, transfers from revenue, partnership working and external funding from PPP/Scottish Futures Trust. Options to meet the revenue challenge were put forward, with emphasis on allowing the Chief Fire Officer to manage his budget and to identify additional efficiency savings through the dynamic management of resources. The Head of Corporate Services concluded that the scale of the capital challenge was such that a comprehensive solution would require additional external funding from sources such as the Government or the Constituent Authorities and that these issues would require further detailed discussion with Members, the Treasurer, the Constituent Authorities, COSLA and the Government.

Although in legal terms the Board had the right to requisition the four Constituent Authorities to meet these challenges, the Working Group recognised that, following the removal of the GAE allocation formula under the Single Outcome Agreement, good relations and co-operation between the Board and the Constituent Authorities were very important.

Members were also advised that it was understood that the relationships between both Fire and Police Boards and COSLA were under review and there were concerns that this might impact on the scope for Fire and Rescue Authorities to interact directly with the Scottish Government and thus to lobby effectively for future funding.

In this regard, the Working Group **NOTED** that (i) the Clerk expected to receive a communication from COSLA on this matter in the near future, (ii) additional information would be sought as appropriate, and (iii) if required, the matter would be brought to the Board on 11 September 2008.

The Chief Fire Officer (CFO) then drew attention to a report dated 15 July 2008 by the Scottish Government Scottish Resilience: Fire and Rescue Services Unit, entitled "Fire Capital Grant – Review of Funding Arrangements", which had been considered at the Scottish Fire and Rescue Services Ministerial Advisory Group (MAG) Sub-Group meeting on "Strategy for Investment in Learning and Development", which the CFO had attended on 21 August 2008. The paper recommended a number of changes to Fire Capital Grant arrangements. Following discussion, the Working Group **AGREED** that the Treasurer and the FRS Head of Corporate Services prepare a response to the Scottish Resilience report, setting out the implications for the Board of the proposed new arrangements, and that this be provided to Members at a later date.

The Working Group **NOTED** (i) the information given, and (ii) that further information on the overall financial position facing the Board and on a Scottish Government consultation on the future provision of capital grant would be provided to Members at a later date.

3. Proposed Joint Venture, North Ronaldsay, Orkney Draft Memorandum of Understanding

With reference to the decision of the Board at its meeting on 22 April 2008 that the Service liaise with the community planning partnerships in the four Constituent Authorities, and other agencies as appropriate, in order to develop joint capital projects, Members were reminded that a joint venture between Orkney Islands Council (OIC) and the Highlands and Islands Fire and Rescue Service was being explored in respect of provision of fire cover in North Ronaldsay. Fire cover for North Ronaldsay airfield was provided by OIC as required by the Civil Aviation Authority, whilst cover for the rest of the Island (population 67) was provided by HIFRS. There was clearly scope for joint working which would be mutually beneficial and would enhance the service to the community.

In order to progress the joint working arrangements, a draft Memorandum of Understanding (MOU) between the two parties had been circulated for information. The MOU had been developed by officers in consultation with the Board's legal advisers. It set out a statement of intent with regard to the provision and operation of a shared vehicle, including training and other associated activities/costs. The MOU also stated that there was support in principle for a new joint fire station/airfield building, but did not commit the Board to expenditure at this stage. The document had yet to be reviewed by OIC and would be subject to amendment in light of any comments they, the HIFRS or the Board raised in

the future. There was scope for the MOU to form the basis of similar agreements on a number of other islands where fire cover for airfields was required.

The Working Group welcomed the progress being made with regard to the MOU and **NOTED** the information given.

4. Principal Officers' Pay

No Officers of Highlands and Islands Fire and Rescue Service were present during this item.

The Board at its meeting on 22 April 2008 had noted that a report on the annual review of Principal Officers' pay would be brought to the next Board meeting on 11 September 2008 and had further agreed that the Policy and Finance Working Group would consider any issues arising in the course of this review, with a view to making recommendations to the Board.

In this regard there was tabled to Members only report dated 20 August 2008 by the Clerk.

Following discussion, the Working Group **AGREED:**

- i. to recommend deferral of this matter until the Board meeting on 14 November 2008, to permit additional information to be provided to Members; and
- ii. that a further meeting of the Working Group be held to consider the tabled proposals and the additional information requested, with a view to making a recommendation to the November Board.

The meeting ended at 12.55 p.m.

Highland and Islands Fire Board Estate Condition Working Group

Note of Visit by the Estate Condition Working Group to Fire and Rescue facilities in Argyll and Bute on 11 and 12 August 2008.

Present:

Representing the Highland Council	Mr R Durham Dr A Sinclair (Substituting) Mr D Flear
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Representing Comhairle nan Eilean Siar	Mr P Carlin (Substituting)
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Representing Orkney Islands Council	Mr A Drever
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Representing Strathclyde Fire and Rescue Service	Mr P Connelly Mr J Rae
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Officials in attendance:

Mr B Murray, Chief Fire Officer
Mr T Wood, Deputy Chief Fire Officer
Mr A MacAllister, Head of Corporate Services, HIFRS
Mr T MacDowell, HIFRS
Mr J Kelman, Project Manager, Housing and Property Services, Highland Council
Mrs C Nicoll, Clerk's Office

1. Apologies for Absence

Apologies for absence had been received on behalf of Mrs M Paterson, The Highland Council, Mr I Mackenzie, Comhairle nan Eilean Siar and Mr A Cooper, Shetland Islands Council.

2. Business

At its meeting held on 22 April 2008, the Board had agreed the recommendation of the Estate Condition Working Group that arrangements be made for Members of the Working Group to visit facilities in two other Scottish Fire and Rescue Service areas.

Arrangements were duly made for the Working Group to visit facilities in Argyll and Bute, which forms part of the area covered by Strathclyde Fire and Rescue Service.

11 August 2008

Oban

Having arrived at Oban Fire Station at approximately 10 am, the Working Group were met by Mr P Connelly, Area Commander and Mr J Rae, Group Commander,

Head of Operations and Development, both of Strathclyde Fire and Rescue Service. During the introductory talk, Members were informed that the Argyll and Bute area comprised 2 wholetime stations, 13 retained units and 27 volunteer units. Both of the wholetime stations, at Oban and Helensburgh, had retained units attached. Of the 27 volunteer units, 22 facilities had been upgraded, with the remaining 5 awaiting upgrading. It was intended that once upgrading works had been completed work would commence on bringing the quality of the volunteer training strategy up to national standard level and Strathclyde had established a Staff Working Group for this purpose. There had been a culture change in the duties performed and the contribution made by volunteers in this area, in that presently the only difference between retained staff and volunteer staff was how busy they were operationally. The majority of volunteer staff in Argyll and Bute had been trained to a certain level in breathing apparatus (BA) and fire fighting duties. Given the important contribution made by volunteers and the duties they were capable of carrying out, they were now considered to be more or less on a similar par with retained staff and consideration was being given as to whether or not these volunteer staff should be issued with formal contracts for their service. Only the staff at the 5 facilities still awaiting upgrading had not yet received training in BA and fire fighting. However, these units were located close to support from retained units. There were currently four Community Safety Officers, based in Helensburgh, Oban, Lochgilphead and Dunoon, who provided legislative, advice and educational services and two Community Safety Co-ordinators who helped to support both Community Planning and Community Safety. The current vehicle fleet for the Argyll and Bute area stood at 46 vehicles.

Mr B Murray explained the various structure levels presently in operation in the Highlands and Islands Fire and Rescue Service and advised that the community response staff were not yet been trained in BA or fire fighting duties as it was not part of their role. He highlighted the commitment of both retained and community response staff, with particular reference to the commitment of staff in the more remote areas of the Islands and the problems the unique geographical area of the Highlands had presented. He also made mention of the time restraints on retained and community response staff. Similarly, Strathclyde also faced problems with time restraints on staff and also problems associated with the lack of sufficient staffing numbers in remote areas to make units sustainable for the future.

During a tour of the Oban facility, Members were advised that the Area Headquarters for Argyll and Bute was located in Helensburgh and that the Oban station was one of three District Offices, the remaining District Offices being located at Lochgilphead and Dunoon. In 2007/08 Oban had received 342 callouts compared with 311 in 2006/07. The facility had cost £3.2M to build and covered a population of approximately 20,000. The accommodation had included conference and training facilities and also 'strategic' accommodation for visiting officers, thereby cutting down on the need to meet extra accommodation costs.

After refreshments the Working Group continued its tour with a visit to a volunteer unit at Kilmelford and retained facilities at Inverary and Lochgilphead.

Kilmelford

Kilmelford comprised a single bay volunteer unit which had opened in 2000. The unit had been provided as a building and vehicle package costing approximately £220,000 and was regarded as a good example of the standard building and vehicle package intended to be used for all volunteer units. Accommodation included

sufficient equipment storage space to include BA equipment. Operational support for this unit was provided by retained units at Oban (approximately 14 miles) and Lochgilphead (approximately 22 miles).

Members were informed that the provision of volunteer units on the islands would be subject to extra ferry costs for the shipping of materials and equipment and this would add approximately 15% to the final costs of the projects. Therefore, the costs of providing an upgraded volunteer facility could range from anywhere between £200,000 and £500,000.

Inveraray

This retained station comprised a double bay facility which was approximately 40 to 50 years old. The facility was currently shared with the local Coastguard and had 13 staff and one vehicle. The nearest wholetime/retained units were located at Oban (approximately 37 miles) and Helensburgh (approximately 40 miles).

Following lunch at 3 pm, the group continued at 4.15 pm with a visit to Lochgilphead.

Lochgilphead

The Lochgilphead retained station had originally been built in 1968. However, an extension had been opened in 2007 which had encapsulated the original building and had been intended to upgrade the facility to an area office. Unfortunately, although the building offered the highest quality accommodation, including a community safety office and 'strategic' accommodation for visiting officers similar to that of Oban Fire Station, difficulties had been faced in relocating staff to the Lochgilphead area and consideration was now being given to how some of the office space and conference facilities could best be utilised with a view to providing extra income for the Service.

12 August 2008

Following an overnight near Oban, the Working Group proceeded at 9.30 am on the second morning with a visit to facilities at Tighnabruaich and Arrochar.

Tighnabruaich

This retained facility was opened in February 2008 and had cost approximately £1.5M. It comprised a single bay facility housing one tender vehicle with office accommodation, including a community safety office and conference and training facilities.

Arrochar

The Arrochar volunteer facility was approximately 20 years old and comprised a single bay facility housing one vehicle with office accommodation and storage facilities, including a storage area for BA equipment.

Before departing from the Arrochar facility, the Working Group held a brief meeting to discuss the outcome of the visit. Members were of the opinion that the visit had provided a useful insight into what could and had been achieved in the upgrade of retained and volunteer units, provided sufficient funding streams were in place. They

were appreciative of the similar difficulties and future challenges faced by both the Highlands and Islands and Strathclyde in matters such as maintaining sufficient staffing levels in remote areas, and recognised the progress made by Strathclyde in training their volunteer staff in both BA and fire fighting duties. Members expressed the view that the visit had underlined the need for the Highland and Islands Fire Board to continue building a positive business case to present to the Scottish Government and COSLA and to continue actively to lobby these bodies for more funding to bring the Service up to an acceptable and efficient standard. Members recognised that the upgrading of the Service estate continued to present a very significant capital challenge and a mechanism required to be identified that would provide finance both for the schematic management of the Service and to constantly build and enhance both the estate and the delivery of service.

In this connection, the Chief Fire Officer reported that it was intended to commission work on developing a funding strategy document highlighting the future financial needs of the Service and providing information for prudential funding purposes. It was hoped that this information would help to strengthen the Board's business case for more funding. Negotiations were currently taking place with Caledonian Economics and Members **NOTED** that it was intended to submit a report to the full Board at a future meeting outlining this proposal.

The Chief Fire Officer also reported that, having identified the need for a dedicated member of staff to manage the Service's estate and having obtained previous approval from the Board, it was intended to begin the recruitment process for a property manager in the near future. Members **NOTED** the position.

Members also **NOTED** that, in order to relieve present accommodation pressures at the Service Headquarters, Inverness and at Seafield Road, Inverness arrangements had been made to lease premises in Harbour Road, Inverness. The Chief Fire Officer outlined the present conditions and was pleased to report that the premises identified for lease would be adequate for the Service's needs.

Mention was also made of the proposed partnership venture at Lochaline with Highland Council's Education, Culture and Sport Service (ECS). Members were advised that negotiations were ongoing in relation to the Board's contribution to this venture, which was expected to be between £250,000 and £350,000. However, further discussions would be required to finalise the agreement arrangements and it was **AGREED** to recommend that the Head of Corporate Services and the Project Manager meet with the Council's ECS Service to progress the arrangements and provide an update at a future meeting.

Thereafter the Working Group **AGREED** that a note of the Working Group's visit be submitted to the Finance and Policy Working Group at its meeting to be held on Friday, 22 August 2008, when it was hoped that further discussion would take place on the issues and concerns raised as above.

The meeting ended at 1 pm.

Following lunch the Working Group returned to Inverness.