

Resources and Fire & Rescue Overview and Scrutiny Committee

18 May 2016

Agenda

Please note that this meeting will be filmed for live broadcast on the internet and *will be available to view for 24 hours following the meeting*. Generally, the public gallery is not filmed, but by entering the meeting room and using the public seating area you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes. All recording will be undertaken in accordance with the Council's protocol on filming and use of social media.

The Resources and Fire & Rescue Overview and Scrutiny Committee will meet in Committee Room 2, Shire Hall, Warwick on Wednesday 18 May 2016 at 2 p.m.

The agenda will be:

1. General

(1) Apologies

(2) Members' Disclosures of Pecuniary and Non-Pecuniary Interests

Members are required to register their disclosable pecuniary interests within 28 days of their election or appointment to the Council. A member attending a meeting where a matter arises in which s/he has a disclosable pecuniary interest must (unless s/he has a dispensation):

- Declare the interest if s/he has not already registered it
- Not participate in any discussion or vote
- Must leave the meeting room until the matter has been dealt with (Standing Order 43).
- Give written notice of any unregistered interest to the Monitoring Officer within 28 days of the meeting

Non-pecuniary interests must be declared in accordance with the new Code of Conduct. These should be declared at the commencement of the meeting.

(3) Minutes of the meeting of the Resources and Fire & Rescue Overview and Scrutiny Committee held on 17 March 2016

2. Public Question Time

Up to 30 minutes of the meeting is available for members of the public to ask questions on any matters relevant to the business of the Overview and Scrutiny Committee. Questioners may ask two questions and can speak for up to three minutes each. To be sure of receiving an answer to an appropriate question, please contact Helen Barnsley 5 working days before the meeting. Otherwise, please arrive at least 15 minutes before the start of the meeting and ensure that Council representatives are aware of the matter on which you wish to speak.

3. Questions to the Portfolio Holders relevant to the Overview and Scrutiny Committee

Up to 30 minutes of the meeting is available for the Committee to put questions to the Leader and Portfolio Holders on any matters relevant to the remit of the Overview and Scrutiny Committee.

4. Work Programme 2016/17

To consider the Committee's proposed Work Programme and future areas of scrutiny activity.

5. Treasury Management Quarterly Monitoring Report to December 2015

A report showing the performance information up to December 2015

6. Update on Local Enterprise Partnerships (LEP) funding opportunities

Report on the LEP regarding where resources are to be used.

7. The Impact on the Fire and Rescue Service of it coming under the Home Office and Proposals for Fire and Rescue to come under the Strategic Control of the Police and Crime Commissioner

A report to explain the changes to the governance arrangements to the Fire and Rescue Service

8. Urgent Matters

At the discretion of the Chair, items may be raised which are considered urgent (please notify Democratic Services in advance of the meeting).

9. Date of Next Meeting

The next meeting of the committee has been scheduled for 13 July 2016, commencing at 2:00pm in Committee Room 2.

Jim Graham
Chief Executive
Shire Hall
Warwick

Resources and Fire and Rescue Overview and Scrutiny Committee **Membership**

Councillors: John Appleton, Nicola Davies, Neil Dirveiks, Peter Fowler (Vice Chair), John Holland, Phillip Morris-Jones, Bernard Kirton, Keith Kondakor, Chris Saint and Matt Western (Chair).

Portfolio Holders:-

Councillor Izzi Seccombe – Leader of the Council

Councillor Alan Cockburn – Deputy Leader

Councillor Kam Kaur– Customers

Councillor John Horner – Community Safety

For queries regarding this agenda, please contact:

Helen Barnsley, Democratic Services Officer

Tel: 01926 412323, e-mail: helenbarnsley@warwickshire.gov.uk

**Minutes of the meeting of the
Resources and Fire & Rescue Overview and Scrutiny Committee
held on 17 March 2016**

Present:

Members of the Committee

Councillors Nicola Davies, Peter Fowler (Vice-Chair), John Holland, Keith Kondakor, Phillip Morris-Jones, Matt Western (Chair)

Other County Councillors

Alan Cockburn, Deputy Leader
John Horner, Portfolio Holder – Community Safety
Richard Chattaway (sitting in for Neil Dirveiks)

Officers

Elizabeth Abbott, Business Partner - Planning, Performance & Improvement
Helen Barnsley, Democratic Services Officer
David Carter, Strategic Director, Resources Group
Tricia Morrison, Acting Head of Service
Rob Moyney, Assistant Chief Fire Officer
Janet Neale, Infrastructure Delivery Manager
Lesley Tregear, Implementation Lead for the MASH
Paul Williams, Democratic Services Team Leader

1. General

(1) Apologies

Councillors John Appleton, Neil Dirveiks, Bernard Kirton and Chris Saint

(2) Members' Disclosures of Pecuniary and Non-Pecuniary Interests

None

(3) Minutes of the meeting held on 21 January 2016

The Committee agreed that the minutes of the meeting held on 21 January 2016 be signed as a correct record.

2. Public Question Time

There were no public questions received or presented at the meeting.

3. Questions to Cabinet and Portfolio Holders

In response to a question from Councillor Keith Kondakor regarding the announcement in the Government's budget on 16 March 2016, Councillor Alan Cockburn informed the Committee that information about the new business rates, and their impact on Council funding, would be available in the coming days. It was suggested that the decision would be beneficial to small businesses, as they would no longer have to pay business rates; however, it would impact the County

Council's income. It was agreed that a briefing note would be provided to the Committee.

In response to a question from Councillor Richard Chattaway regarding the public consultation about the Sunday closure of three public libraries; and the recent decision at Council to provide £54k to prevent the closure for 2016/17; it was confirmed that while the consultation was still ongoing, events at Council had overtaken it. The libraries will remain open for 2016/17.

4. Work Programme 2015/16

With regards to the changes facing the fire service it was confirmed that a report would be presented to the Committee at the next meeting highlighting the possible impacts.

Confirmation was also given to members that cross-border partnership working was in place for situations such as the recent floods although it had not been needed for the most recent flood episodes.

It was agreed that information regarding the recent floods in the County be circulated to members after the meeting.

Resolved

The Committee:

- 1) Agreed the updated 2015-16 Work Programme
- 2) Noted the scheduled future meeting dates.

5. 2015-16 One Organisation Plan – Quarter 3

Elizabeth Abbott, Business Partner - Planning, Performance & Improvement, presented the latest report to the Committee and confirmed that the information was for the end of quarter 3, for year 2, of the One Organisational Plan (OOP). The report had been presented in full to Cabinet in December 2015.

It was confirmed that the report being presented had been tailored around the remit of the Committee – and that this had been done for each of the overview and scrutiny committees. The full information, as presented to Cabinet, is available on the member dashboard. It was also confirmed to members that the commentary for each section has not been updated since the report was presented to Cabinet.

A question was raised as to how the target figures were set for the number of incidents attended by the fire service. It was confirmed that this was done using historical figures combined with the aims of the fire reduction programme.

Concerning the Property Rationalisation Programme, confirmation was sought that the figures on page 5 of the report should read £1million.

Following a question from Councillor Keith Kondakor, it was confirmed to the members that the figures used in the report show targets and a current end of year forecast. Service Managers are asked to provide up to date information for each

report that is published and they are used against the forecasted figures. The end of year report will show final, approved figures.

Members suggested that the information on page 5 of the report, relating to Capital Programme targets, would realistically never hit 100%. It was considered that the target should be more meaningful.

David Carter confirmed for members that the target figures for Property Disposal income are set from the total target price for the property.

Councillor Richard Chattaway commented that comparison between the authority's performance and other similar counties (demographically/size etc.) would be beneficial to members. David Carter was able to confirm that Price Waterhouse Cooper had previously provided comparison information that was shared but since that had stopped there had been a gap. It was confirmed that some comparison information was available from the Local Government Association; and that Grant Thornton has also started to provide comparison information. Warwickshire County Council has subscribed to this service. David Carter highlighted that the information received was new to the Council and that at this point it could not be said how useful it would be. Ambitious targets are set that are often above national benchmarking targets so while it may appear that targets are not met, the Council will have exceeded benchmarking targets.

A question regarding the quality of life for Warwickshire residents was raised and David Carter was able to confirm that a joint quality of life survey, with Public Health, would be sent out in the next few weeks. This survey is undertaken every 2 years. The survey would also be sent out via social media to offer residents a broader way to engage with the Council. This was also considered to be a cost effective way of engaging with residents.

Councillor Nicola Davies raised concerns about the information relating to complaints and in particular those relating to Social Services. David Carter acknowledged that the situation needed addressing. The new Head of Service for Children's Safeguarding had prioritised this issue and it was improving. David Carter agreed to request that a briefing note be provided to members updating them with the latest information.

A report relating to the Customer Journey information was also requested following concerns raised by members. David Carter confirmed that issues had arisen as a result of contractor prices that were unacceptable to the Council. Tricia Morrison advised that positions had been filled with contractors on fixed term contracts; mainly due to the nature of the jobs that staff were required for. It was clarified for members that Officers were now looking at growing internal resources when the fixed term contracts came to an end but that all staff were now in place.

Concerns were raised regarding the underspend on rates as mentioned in 4.8 of the OOP report. David Carter responded that the figure was likely to have differed to expectations due to appeals against ratings given; if appeals were won, resulting in successful disposals, then the costs would go down. It was agreed that David Carter would supply up to date details to members.

The Chair raised a question to Rob Moyney, Assistant Chief Fire Officer, regarding the firefighter vacancies. It was confirmed that following a change in the duty

system at Stratford-upon-Avon and Alcester fire stations, staff on fixed term contracts had been bought in. These are all due to finish at the end of March. The vacancies will be held open to continue to make savings and would be taken as a loss within the establishment. The recruitment and retention of part time fire fighters is hampered by the loss of local employment. Retained firefighters have to move to find primary employment meaning that they are unable to provide the required cover. Following a request from the Chair, a briefing note on the turnover of retained firefighters in relation to this issue will be provided at the next meeting.

Tricia Morrison confirmed to members that the commentary in the OOP report should contain information regarding the remedial actions and that it would be part of the next report.

Resolved

The Committee considered the key messages set out in the report and asked questions in relation to its content and made recommendations they considered appropriate.

6. WCC Project and Programme Management Update

Tricia Morrison presented the report to members highlighting that the approach to managing all significant projects is up to date and that Governance enables effective decision making. The report reviewed 2 previous frameworks from 2013 and 2015.

The current process involves developing visibility of projects through a member dashboard; this will relate to the status of major projects. Member engagement will be sought on the development of the new dashboard to ensure that the focus is in the right place. Project and Programme Managers will also be involved. It was confirmed that the Officer version of the dashboard is expected to be released at the end of March 2016 and member engagement will then start as soon as possible.

Confirmation was given that the member dashboard is a live system and that quarterly updates will be provided. It was noted that Project Managers will have the ability to update the system as and when necessary meaning that real issues can be picked up in real time.

Following a request from the Chair the Kenilworth Station project will be used to provide an example for members of how the system would work for the next meeting.

Resolved

The Committee noted the report which provided an update on the project and programme management processes used at WCC.

7. Infrastructure Funding

Janet Neale, Infrastructure Delivery Manager, presented the report to members. It was confirmed that she had been in post for just over a year and had been bought

in to ensure that there was one place for all information to be held and that there was a coordinated approach.

Members were informed that the Community Infrastructure Levy (CIL) had not yet been implemented in Warwickshire. It was confirmed that a considerable amount of work had been carried out on ensuring that records were up to date regarding what funds the Council had, what had been asked for and what was still outstanding.

Janet Neale referred members to point 4.13 of the report which stated that information would be presented at the meeting rather than being part of the report. This was due to the caveats around the information that was included. The figures were not set in stone and contained various formulas and estimations. A full explanation was given to members regarding the information that was in the hand-out. It was confirmed that information referring to individual District and Borough Councils would be provided after the meeting.

It was then confirmed to members that Warwickshire County Council often fund up front developments before Section 106 monies are paid. In view of the changes that make this procedure harder, the Council is looking at alternative methods such as requiring developers building new schools rather than the Council waiting for the money from the developers to build the new schools.

It was confirmed that it is normal for CIL's to be introduced along with a local plan.

Clarification was also sought from members on the following points –

- 1) Will the requirements and agreements be the same for all developers and look at in the same way across boroughs and districts?
- 2) Can assurances be given that the benefits of section 106 monies will be spent in the area they were raised in?

Councillor Alan Cockburn confirmed that the planning authorities involved would retain control and manage the project. Janet Neale added that the County Council would have full responsibility. Virginia Rennie, Group Accountant, has been working with organisations that are already using CIL in order to prepare a set of regulations for Warwickshire County Council.

Following a query regarding the potential for claims from neighbouring counties for section 106 payments from developments that would affect them; it was confirmed that County Councils are consulted on developments from neighbouring counties where there would be a need for cross-border highway improvements. Host local authorities and developers are required to put in place all agreements.

A request was made for Councillor Alan Cockburn to take concerns back to Councillor Izzi Seccombe regarding the process of taking a planning appeal from the County Council to the Secretary of State.

The Chair requested confirmation that all the monies currently owed by Section 106 agreements had been paid. Janet Neale was able to confirm that if there was an agreement in place, the status of the monies was known about. There were some cases where planning permission had been granted but the development had not yet started; therefore no Section 106 monies had been received. Outstanding

invoices are in the process of being chased and Janet Neale was able to confirm that the process was now watertight.

Councillors noted that the report was very clear and helpful and thanked Janet Neale for her efforts.

Resolved

The committee noted the contents of the report and comments made; and the current position relating to Section 106 Monies.

8. Update on the development of the Multi-Agency Safeguarding Hub (MASH) in Warwickshire

The report was presented to the Committee by Lesley Tregear, Implementation Lead for the MASH, who confirmed that John Coleman had been recruited as the new MASH Manager. The report highlighted the progress that has been made and the key milestones that had been met.

Members were told about the new IT tracking system that was being procured for the MASH. The system was currently being checked by the IT team to ensure that it will be fit for purpose before licences were purchased. The feedback so far was that it does meet all the requirements. Clarification was given that although the IT system would not link all current systems, it would allow live case tracking. The process would involve all agencies coming together and being able to look at cases from their own systems as well as the tracking system and once a plan had been formulated, it could be added to, and tracked from, the system.

With regards to a performance management tool it was confirmed that before a framework could be agreed on, it would need to be ensured that it would marry up to the new IT system.

It was also confirmed to members that the MASH team would include an apprentice for the Ambulance Safeguarding team across the West Midlands.

The Committee was informed that John Coleman would provide an update in 6 months time.

Resolved

The committee:

- 1) Noted the progress of the Multi-Agency Safeguarding Hub (MASH) in Warwickshire; and
- 2) Requested a further report in 6 months' time following the implementation of the MASH.

9. Urgent Matters

- 1) Email received from Anthony JJ Morgan - representing members of the Retained Firefighters Union in Warwickshire Fire and Rescue Service; raising concerns on the specific proposal by WCC to spend tax payer's capital funding in building a training centre.

Members were informed of the email received and were asked to consider the important views and concerns raised.

A discussion followed regarding the training college at Morten-in-Marsh; a large and well equipped college that had recently been privatised.

Rob Moyney confirmed that the college was an excellent training facility but since privatisation the costs of using it had become prohibitive. It was also considered that the location of the facility was at a distance that couldn't guarantee firefighters could return back in time if there was an emergency in their area.

Councillor Richard Chattaway proposed a recommendation to refer the email for discussion at Cabinet. Councillor Peter Fowler seconded the proposal.

Resolved

The Committee resolved to refer the email from Anthony JJ Morgan to the next Cabinet meeting in April 2016.

- 2) The Chair confirmed to the Committee that following the meeting in January 2016, he had spoken to Mark Ryder and David Ayton-Hill regarding the LEP and that a report would be presented at a future meeting.
- 3) The Chair requested clarification from David Carter regarding the change of hours at the Customer Contact Centre and how many calls were taken in the first, and last, 30 minutes of each day. David Carter confirmed that this information would be provided to members in a briefing note.
- 4) Following the meeting in January 2016, Councillor Peter Fowler confirmed to the Committee that he had written to Councillor John Horner requesting that a letter was sent to the Government regarding insisting that sprinkler systems are installed in all new build, domestic properties. Councillor Fowler confirmed that he would ask for an update for the next meeting.

10. Date of Next Meeting

The date of the next Resources and Fire & Rescue Overview and Scrutiny Committee was confirmed as 18 May 2016 at 2 p.m. in CR2, Shire Hall.

The meeting rose at 16:18pm

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Chair

**Resources and Fire & Rescue Overview and Scrutiny Committee
Work Programme 2016/17 – 18 May 2016**

Agenda No 4

Reports for future meetings

Item	Report detail	Date of last report	Date of next report
Questions to the Portfolio Holders / Forward Plan decisions	Report which includes Forward Plan decisions relevant to the remit of the Committee – Paul Williams	N/A	* Standing item for every meeting
One Organisational Plan	To receive performance information on a quarterly basis, relevant to the remit of the committee.	N/A	*Standing item for every meeting.
One Organisation Plan	Quarterly Progress report. (note: to include remedial actions in the commentary)	17 March 2016	13 July 2016
Fire and Rescue Service – changes to Governance arrangements	A report to explain the impact on the Fire and Rescue service of it coming under the Home Office and proposals for Fire and Rescue to come under the strategic control of the Police and Crime Commissioner	N/A	18 May 2016 Rob Moyney
Work Programme	Report on LEP including geographical breakdown of where LEP resources are to be used	N/A	18 May 2016 David Ayton-Hill
Treasury Management	A report to present Treasury management performance to December 2015	N/A	18 May 2016 Matt Dawson
Fire and Rescue Service	Fire Peer Review Report	N/A	13 July 2016 Rob Moyney
Treasury Management	Report to present Treasury Outturn 2015/16	N/A	15 September 2016 Matt Dawson
Update on the development of the MASH in Warwickshire	A report noting the progress of the MASH and a recommendation for a further report in 6 months' time following the implementation of the MASH	17 March 2016	15 September 2016 John Coleman
Libraries, Community Buildings and Peppercorn Rents	The impact of the withdrawal of peppercorn rents and the ability of providing community services from libraries and other community buildings.	Information on Peppercorn rents was received July 2015.	Early 2017 to review effectiveness of new property disposal protocols (March 2016)
AOB	A presentation to be given to the Committee on the Transformation of the Fire Service over the last 2/3 years. (20 mins plus 10 mins question time)	N/A	TBC Rob Moyney
Public Property Asset Register	Update report – establishing if there is an appetite for a public property asset register from other public bodies	N/A	Steve Smith – 13 July

**Resources and Fire & Rescue Overview and Scrutiny Committee
Work Programme 2016/17 – 18 May 2016**

Agenda No 4

Reports Recently Received by the Committee

Item	Report detail	Date of last report
One Organisation Plan	Quarterly Progress report (Quarter 3)	17 March 2016
WCC Project and Programme Management Update	A report which provides an update on the project and programme management processes used at WCC and makes recommendations to consider areas for further scrutiny, where appropriate.	17 March 2016
Update on the development of the Multi-Agency Safeguarding Hub (MASH) in Warwickshire	A report noting the progress of the MASH and a recommendation for a further report in 6 months' time following the implementation of the MASH	17 March 2016
Infrastructure Funding	A report noting the current position relating to developer contributions.	17 March 2016
Warwickshire Local Welfare Scheme	A report to update members on the Warwickshire Local Welfare Scheme and its implementation.	21 January 2016
Consultation and Engagement	A report that explains to members the County Council's approach to consultation and engagement	21 January 2016
Treasury Management	A report that updates the committee on Treasury Management	21 January 2016
WCC IT Systems – Fit for Purpose	At their work programme event in July 2015 the Corporate Services O&S committee requested a report about WCC's IT system , whether they are fit for purpose and capable of sharing information across different services – this report has been written to satisfy that request.	21 January 2016
A report on the operation performance of Warwickshire Fire and Rescue Service	A report that summarises Warwickshire Fire and Rescue performance against key incident categories in comparison to the other 45 English Fire and Rescue services.	21 January 2016
Absence, Health & Safety and Welfare	A report that updates the committee on performance information in relation to employee sickness absence health safety and wellbeing.	21 January 2016

**Resources and Fire & Rescue Overview and Scrutiny Committee
Work Programme 2016/17 – 18 May 2016**

Agenda No 4

Briefing Notes - Produced

Item	Briefing Note detail	Date requested	Date circulated
Work Programme	Information regarding the response to the recent floods in Warwickshire (March 2016)	17 March 2016	17 March 2016
Warwickshire Local Welfare Scheme	Update from the Localities and Partnerships Team on the development of affordable credit solutions	21 January 2016	11 February 2016
WCC IT Systems	IT map showing how different IT Systems communicate with each other and partner agencies	21 January 2016	26 February 2016
Fire and Rescue Service	Briefing note to be provided setting out geographical distribution of fires and other incidents	21 January 2016	18 February 2016
Absence Report	Note to committee on absence levels at Warwick District Council	21 January 2016	2 March 2016

Briefing Notes – Awaited

Item	Briefing Note detail	Date requested	Date circulated
Warwickshire Local Welfare Scheme	Item 5: Up to date figures on take up of Warwickshire Local Welfare scheme by District.	21 January 2016	18 March 2016
Warwickshire Local Welfare Scheme	Item 5 : Up to date figures on take up of scheme by district (After App D of the report)	21 January 2016	Due end of May 16
Questions to Portfolio Holders	Question to Treasury - following the Budget on 16/03/2016; when will an impact assessment be carried out.	17 March 2016	23 March 2016
One Organisational Plan	Information re turnover of retained firefighters in relation to employment issues and current number of whole time firefighters.	17 March 2016	8 April 2016
WCC Project and Programme Management	Kenilworth Station to be used as an example of how the new project management system will work.	17 March 2016	27 April 2016
One Organisational Plan	Briefing Note with the latest information with regards to the complaint handling about Social Services	17 March 2016	26 April 2016
One Organisation Plan	Customer Journey Information – delivered on time and to budget. The timetable has slipped due to resourcing and staff availability at service level.	17 March 2016	10 May 2016
Infrastructure Funding	Information referring to the individual District and Borough Councils to be supplied (including information about which application they applied to)	17 March 2016	21 April 2016
AOB	Call rates during the first and last ½ hour of the day at Customer Contact Centre	17 March 2016	26 April 2016

**Resources and Fire & Rescue Overview and Scrutiny Committee
Work Programme 2016/17 – 18 May 2016**

Agenda No 4

Actions from 21 January 2016

Item		Completed	Comments
Matters Arising	Report to 17 March meeting on progress with the MASH project.	Report presented at meeting on 17 March 2016	
	Briefing note on slippage.	Circulated 11 March 2016	
	Report to 17 March meeting on peppercorn rents and the impact of their reduction.		Report due to be taken to Cabinet. To be reviewed by Committee early 2017.
Work Programme	Report to 17 March meeting – OOP progress.		Report due to be presented 15 September 2016
	Report to a meeting (date to be agreed) on LEP including geographical breakdown of where LEP resources are to be used.		Report due to Committee 18 May 2016
	Consideration be given to a report to a future meeting on i) the impact on the Fire and Rescue service of it coming under the Home Office and ii) proposals for Fire and Rescue to come under the strategic control of the Police and Crime Commissioner.		Report due to Committee 18 May 2016
Warwickshire Local Welfare Scheme	i) Update form the Localities and Partnerships Team on the development of affordable credit solutions.	Circulated - 11 February 2016	
	ii) Up to date figures on take up of scheme by district (After App D of the report)		Information to be provided by the end of May 2016
WCC IT Systems	IT map showing how different IT systems communicate with each other and partner agencies	Circulated - 26 February 2016	
Fire and Rescue Service	i) Briefing notes to be provided setting out geographical distribution of fires and other incidents.	Circulated 18 February 2016	
	ii) Request that Cllr Horner write to Government regarding value of installation of sprinklers in new domestic properties	Councillor Fowler confirmed at 18 May meeting	
Absence Report	Note to committee on absence levels at Warwick District	Circulated - 2 March 2016	

Resources and Fire & Rescue Overview and Scrutiny Committee

18 May 2016

Treasury Management Monitoring Report

Recommendation

That the Resources and Fire & Rescue Overview and Scrutiny Committee considers and comments on Treasury Management in respect of 2015/16 up to December 2015.

1 Introduction

1.1 Warwickshire County Council fully complies with the requirements of The Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice (COP) on Treasury Management 2009. The primary requirements of the Code are the:

- creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
- creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
- receipt by the Cabinet of an Annual Treasury Management Strategy Report for the year ahead, a midyear review report (as a minimum) and an annual review report of the previous year.
- delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices, and for the execution and administration of treasury management decisions.

1.2 Under the CIPFA Code, the Cabinet is required to receive a report on the outturn of the annual treasury management activity for the authority. Monitoring reports regarding treasury management are an agenda item for the Resources and Fire & Rescue Overview and Scrutiny Committee throughout the year.

1.3 Treasury management in the context of this report is defined as:

“The management of the local authority’s cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.” (*CIPFA Code of Practice*).

2 Investments

2.1 The Council has an investment portfolio consisting of reserves and cash arising from daily receipts being in excess of payments on a short term basis.

2.2 The Council’s investment portfolio at the end of the first nine months of 2015/16 to 31 December 2015 was as follows:

Table 1: Investment Position at 31 December 2015

	Invested at 31 December 2015
	£m
In house deposits	56.0
Money Market/External Funds	134.8
Property	10.0
Social Bonds	40.0
Total	240.8

2.3 Performance of the Council’s investments versus the benchmark is:

Table 2: Investment Performance to 31 December 2015

	Average Interest rate year to date	Target rate: 7 day LIBID	Out- performance
	%	%	%
In house deposits	0.54	0.36	0.18
Money Market/External Funds	0.51	0.36	0.15
Property	4.00	-	-
Social Bonds	3.00	-	-
Total weighted performance	0.99	0.36	0.63

2.4 Both the in-house, and external, portfolio have beaten the benchmark return over the period.

- 2.5 LIBID is the average interest rate which major London banks borrow Eurocurrency deposits from other banks.
- 2.6 Actual interest earned in the first nine months of 2015/16 was:

Table 3: Interest Earned to end December 2015

	Year to date
	£000
In house deposits	272
Money Market/External Funds	579
Property	268
Social Bonds	959
Total	2,078

- 2.7 The table below details our consultant's view on interest rates. Based on this opinion, the money market will continue to be at current levels until early 2017 when rates are predicted to rise.

Table 4: Interest Rate Forecast

	Present – Mar 2016 %	Sep 2016 %	Mar 2017 %	Sep 2017 %
Interest Rate Forecast	0.50	0.50	0.75	1.00

Source: Capita

3 Borrowing

- 3.1 The borrowing undertaken by the County with The Public Works Loans Board (PWLB) was £ 384.0m at 31 March 2015 and remains unchanged at 31 December 2015.

4 Compliance with Treasury Limits and Prudential Indicators

- 4.1 During the first three quarters of 2015/16 to 31 December 2015, the Council operated within the treasury limits and Prudential Indicators set out in the Council's Treasury Policy Statement and Treasury Management Strategy. Full details of the Prudential Indicators set for 2015/16 are shown in **Appendix A**. Explanations of the terminology employed is set out in **Appendix B**.

Background Papers

None

	Name	Contact Information
Report Author	Mathew Dawson, Treasury and Pension Fund Manager	01926 412227 mathewdawson@warwickshire.gov.uk
Head of Service	John Betts, Head of Finance	01926 412441 johnbetts@warwickshire.gov.uk
Strategic Director	David Carter, Strategic Director, Resources Group	01926 412564 davidcarter@warwickshire.gov.uk
Portfolio Holder	Councillor Kam Kaur	kamkaur@warwickshire.gov.uk

The report was circulated to the following members prior to publication:

Local Member(s): None

Other members: Councillor Neil Dirveiks, Councillor Nicola Davies, Councillor Peter Fowler, Councillor John Appleton, Councillor John Horner, Councillor Kam Kaur and Councillor Matt Western

PRUDENTIAL INDICATOR	2014/15	2015/16	2016/17	2017/18	2018/19
(1). AFFORDABILITY PRUDENTIAL INDICATORS					
	Actual	estimate	estimate	estimate	estimate
	£'000	£'000	£'000	£'000	£'000
Capital Expenditure	76,116	85,700	88,677	52,529	15,211
	%	%	%	%	%
Ratio of financing costs to net revenue stream	9.23	8.86	8.73	8.56	8.49
Gross borrowing requirement	£'000	£'000	£'000	£'000	£'001
Gross Debt	393,485	388,424	363,424	362,274	352,274
Capital Financing Requirement as at 31 March	305,357	319,228	332,433	328,169	311,999
Under/(Over) Borrowing	(88,128)	(69,195)	(30,991)	(34,105)	(40,274)
	£'000	£'000	£'000	£'000	£'001
In year Capital Financing Requirement	(15,569)	13,871	13,205	(4,264)	(16,169)
	£'000	£'000	£'000	£'000	£'001
Capital Financing Requirement as at 31 March	305,357	319,228	332,433	328,169	311,999
Affordable Borrowing Limit	£	£	£	£	£
Position as agreed at March 2015 Council	-5.98	1.90	11.22	12.13	
Increase per council tax payer					
Updated position of Current Capital Programme					
Increase per council tax payer	-5.96	-5.81	1.29	-1.93	-1.79
PRUDENTIAL INDICATOR	2014/15	2015/16	2016/17	2017/18	2017/19
(2). TREASURY MANAGEMENT PRUDENTIAL INDICATORS					
	approved	approved	estimate	estimate	estimate
	£'000	£'000	£'000	£'000	£'001
Authorised limit for external debt -					
Borrowing	501,915	526,219	499,954	466,217	457,434
other long term liabilities	12,000	12,000	12,000	12,000	12,000
TOTAL	513,915	538,219	511,954	478,217	469,434
Operational boundary for external debt -	£'000	£'000	£'000	£'000	£'001
Borrowing	418,263	438,516	416,629	388,514	381,195
other long term liabilities	10,000	10,000	10,000	10,000	10,000
TOTAL	428,263	448,516	426,629	398,514	391,195
Upper limit for fixed interest rate exposure					
Net principal re fixed rate borrowing / investments	100%	100%	100%	100%	200%
Upper limit for variable rate exposure					
Net principal re variable rate borrowing / investments	25%	25%	25%	25%	25%
Upper limit for total principal sums invested for over 364 days	£	£	£	£	£
(per maturity date)	£0	£0	£0	£0	£0
Maturity structure of new fixed rate borrowing during 2014/15	upper limit	lower limit			
under 12 months	20%	0%			
12 months and within 24 months	20%	0%			
24 months and within 5 years	60%	0%			
5 years and within 10 years	100%	0%			
10 years and above	100%	0%			

PRUDENTIAL INDICATORS

Ratio of financing costs to net revenue stream

The ratio of financing costs to net revenue stream shows the estimated annual revenue costs of borrowing, less net interest receivable on investments, plus repayments of capital, as a proportion of annual income from council taxpayers and central government. The estimates of financing costs include current and future commitments based on the capital programme.

Gross Borrowing

Gross borrowing refers to the Authority's total external borrowing and other long term liabilities versus the Capital Financing Requirement.

Actual and Estimated Capital Expenditure

Actual and estimates of capital expenditure for the current and future years.

Capital Financing Requirement

The Capital Financing Requirement (CFR) represents capital expenditure financed by external debt and not by capital receipts, revenue contributions, capital grants or third party contributions at the time of spending. The CFR measures the Authority's underlying need to borrow externally for a capital purpose. The Authority has a treasury management strategy which accords with the CIPFA Code of Practice for Treasury Management in the Public Services.

Authorised Limit

In respect of its external debt, the Authority approves authorised limits for its total external debt gross of investments. These limits separately identify borrowing from other long-term liabilities such as finance leases. Authorised Limits are consistent with the Authority's current commitments, service plans, proposals for capital expenditure and associated financing, cash flow and accord with the approved Treasury Management Policy statement and practices. The Authorised Limit is based on the estimate of most likely prudent, but not necessarily the worst case scenario and provides sufficient additional headroom over and above the Operational Boundary.

Operational Boundary

The Operational Boundary for external debt is based on the same estimates as the authorised limit but reflects the Head of Finance's estimate of the most likely, prudent but not worst case scenario, without the additional headroom included within the authorised limit to allow for unusual cash movements, and equates to the maximum of external debt projected by this estimate. The operational boundary represents a key management tool for in-year monitoring. Within the operational boundary, figures for borrowing and other long-term liabilities are separately identified.

Limits on Interest Rate Exposure

This means that the Authority will manage fixed and variable interest rate exposure within the ranges. This provides flexibility to take advantage of any favourable movements in interest rates.

**Resources and Fire & Rescue
Overview and Scrutiny Committee**

18 May 2016

Update on LEP funding opportunities

Recommendations

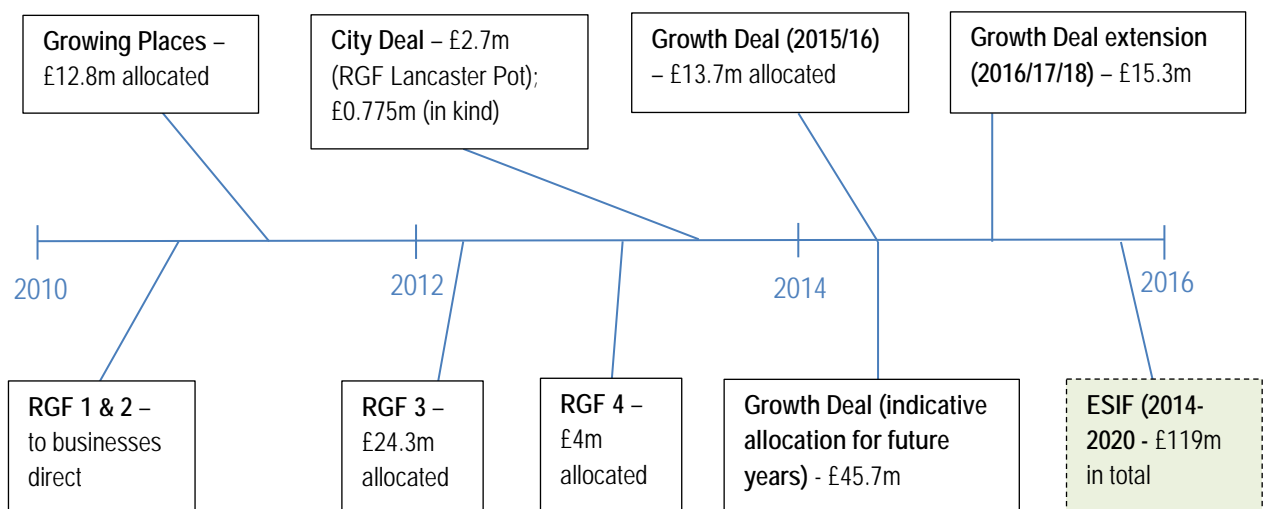
That Resources and Fire & Rescue Overview and Scrutiny Committee:

- a) Note the contents of this report
- b) Consider the best way for Members to actively engage in the development and shaping of the pipeline of projects and the Warwickshire Growth Plan to position Warwickshire to respond to funding opportunities.

1 Background

1.1 The funding available to support local economic growth activity has changed significantly since the announcement of the closure of Regional Development Agencies in 2010 and their replacement with a network of Local Enterprise Partnerships (LEPs). The funding secured to-date via the Coventry and Warwickshire Local Enterprise Partnership (CWLEP) is summarised in Figure1 below:

Figure 1: Summary of funding secured to date



- 1.2 The predominant fund is now the Local Growth Fund. The Local Growth Fund, which was one of the key outcomes from Lord Heseltine’s review (“No Stone Unturned”) in 2012, combines into a single pot the range of government funding that supports economic growth. This includes Department for Transport resources for major projects, funding previously allocated for the Regional Growth Fund, and skills capital funding from BIS/ Skills Funding Agency; and currently amounts to around £2bn per annum for England for the period 2015/16-2020/21.
- 1.3 The Growth Fund is made available to LEP areas via Growth Deals. Growth Deals are agreements between the local area and central government on shared economic priorities, and detail the commitments being made by both parties to enable and facilitate economic growth. Strategic Economic Plans (SEPs) provide the basis for LEP areas to bid into the Local Growth Fund. SEPs should set out the overall, long term strategic vision for the area, the key priority investment areas, and detail how the various partners and stakeholders in the local area will work together and align their existing resources to support growth under a common strategy.
- 1.4 This report provides an update on the Growth Deal so far, the next round of Growth Deal funding, and how the Council has been developing a pipeline of projects in order to maximise future opportunities for Warwickshire.

2. Coventry and Warwickshire Growth Deal and Growth Deal Extension

- 2.1 The Coventry and Warwickshire Strategic Economic Plan set out a significant request for funding from the Local Growth Fund. In July 2014, the CWLEP area was allocated £13.7m of net new funding through the Local Growth Fund in 2015/16 (20.8% of what was requested in the Growth Plan), and has an indicative allocation of £45.2m for 2016/17 onwards (19.3% of what was requested). These capital allocations are detailed in Table 1 below.

Table 1: Capital allocations through the Local Growth Fund

PROJECT	2015/16		2016 onwards	
	Asked for £m	Received £m	Asked for £m	Received £m
North-South Rail & Coventry Station <i>(includes funding for NUCKLE 1.2)</i>	15.9	4.9	15.5	15.1
Stanks Junction Improvement <i>(part of a wider A46 N/S Corridor scheme)</i>	3.1	0	55	3.1
A5 Corridor <i>(contributions to the Highways Agency project to dual part of the A5)</i>	0	0	2	2

PROJECT	2015/16		2016 onwards	
	Asked for £m	Received £m	Asked for £m	Received £m
Connectivity to UK Central, Birmingham Airport & HS2	0.6	0	19.9	19.6
Coventry City Centre road access (<i>part of a wider Housing & Local Access scheme</i>)	2	2	34.4	3
Ansty Grow-on Space	7	4.7	0	2.4
Apprenticeship Centre at Warwickshire College (<i>part of wider AME Skills Capital scheme</i>)	4.95	1.3	25	0
Progress House, Stratford-on-Avon (<i>part of wider Increasing business start-up & sustainability rates scheme</i>) – <i>will fund the conversion of an SDC premise into a business incubator centre</i>	0.3	0.5	2.5	0
Skills Centre at Coventry City College (<i>part of wider Skills Capital request</i>)	2.08	0.3	12.5	0
TOTAL	35.93	13.7	166.8	45.2

- 2.2 As LEPs cannot be the accountable body for these resources, the CWLEP Board agreed that Coventry City Council should undertake this role on behalf of the CWLEP.
- 2.3 The CWLEP area – through the C&W Local Transport Body – was also **previously allocated £14.4m** of funding for major transport projects for the period 2015/16-2018/19. This has been incorporated into the Growth Deal, with a flat rate allocation of £3.6m per year for the next four years. The CWLEP Board have previously agreed that all this funding should be utilised for transport activity, and the C&W Local Transport Body agreed that £3.49m of this funding should be allocated to the NUCKLE Phase 2 (Kenilworth Station) in 2015/16. The remaining funding is expected to fund other transport priorities that were set out in the Strategic Economic Plan but were unsuccessful in securing Local Growth Fund monies.
- 2.4 In the Autumn of 2014, LEPs were asked to submit bids for additional Growth Fund resources for 2016/17 and 2017/18, and in January 2015, the CWLEP area was awarded an additional £15.3m for the following projects:

- An Investment programme to bring forward key employment sites for development (e.g. Friargate and further employment land around J12 M40), enabling business growth and creating new job opportunities.
- A fund that will support local businesses to make major capital investments, develop buildings and infrastructure or access new technologies that will facilitate business growth and job creation.
- Capacity improvements at the Coton Arches roundabout in Nuneaton, which will facilitate housing and employment growth (including at the flagship Bermuda Park employment site) and improve access to Nuneaton town centre.
- New facilities at FE Colleges to deliver skills as demanded by local employers.
- A new centre to deliver R&D activities developing new steel products that will service key sectors such as Automotive, Aerospace, Rail, Defence and Energy.
- The development of a new technology to bring motorway and local road traffic systems together with cloud based systems, to improve local journey times on important routes, by giving drivers live information enabling them to switch routes and modes.

2.5 These new projects will be implemented from early 2016/ 2017 onwards.

3. Further Growth Deal Funding and WCC activity

3.1 Moving forward, it would seem that the Local Growth Fund will be the focus of any further resources. The Government have just announced an allocation of a further £1.8bn of Local Growth Funding nationally, which LEP areas will be able to bid into. The Government have stated that bids need to be submitted to Government by the summer recess and it is likely that the funding will be available for the period 2018-2021.

3.2 The CWLEP, in anticipation of a potential future call for Growth Fund funding, issued a call for expressions of interest (EOIs) in Summer 2015. 67 EOIs were received, and after an appraisal and prioritisation exercise by the CWLEP, 47 projects were invited in February to develop detailed full business cases for further consideration by the CWLEP in advance of submission to Government in the summer.

3.3 Warwickshire County Council recognised last year the need to develop a strong pipeline of future projects so that we were ready to respond to relatively

short time-scales to submit applications for funding. As a result, we have worked with our Districts and Boroughs to develop a “Warwickshire Growth Plan”. This Plan analyses the key challenges and opportunities facing the Warwickshire economy, identifies ten key programmes of activity, and provides a pipeline of potential projects that could be undertaken to help drive and support economic growth within the county. The ten programme areas are split into five thematic;

- 1) Access to Employment
- 2) Business and Innovation Warwickshire
- 3) Green Economy Warwickshire
- 4) Keeping Warwickshire Moving
- 5) Welcome to Warwickshire

and five geographic:

- 1) Unlocking Atherstone’s Potential
- 2) A Greater Leamington
- 3) Growing Rugby
- 4) Stratford-upon-Avon Gateway to Culture
- 5) Transforming Nuneaton

3.4 The Growth Plan is a “live” document, with new ideas and projects to be added to it on an ongoing basis. The pipeline projects within the plan range from well-developed projects that effectively “ready to go”, to high level ideas of things that we might want to do at some point in the future. These projects are not just Warwickshire County Council schemes, and also include ideas and schemes from our Borough & District Council’s and other key partners and stakeholders (including the private sector).

3.5 Project ideas contained within the Growth Plan were reviewed against the call for EOIs for Local Growth Funding, put out by the CWLEP last year. Ideas that met the broad criteria (capital funding, ability to deliver jobs and growth, linked to the SEP) were developed into proposals, grouped where appropriate under strategic programmes linked to the above ten themes. It is important to note that these ideas were at various different stages of thinking – some were very well developed whilst others were simply at the concept stage. A list of the EOIs submitted to the CWLEP is provided in Table 2 below. The table also indicates those that have been asked by the CWLEP to be developed into full business cases and, at the time of writing, which projects the Council is intending to submit for further consideration. There were too many projects for Warwickshire County Council to effectively develop full applications for all of them, so officers undertook a prioritisation exercise based on fit with the

funding criteria, deliverability, and the timescales associated with the funding opportunity.

- 3.6 Member approval will be sought as the CWLEP appraisal and prioritisation process progresses and which projects could be funded becomes clearer. It should be noted Local Growth Funding will only contribute a proportion of the total costs (c. 50%), and that match funding is required. The funding package for each project will be detailed as part of this approval process but could come from a range of sources.
- 3.7 In February 2016, the CWLEP also launched a call for applications for local authority infrastructure funding. This is utilising some outstanding funding from the Coventry & Warwickshire Growing Places Fund (see Figure 1 above) and funding secured for infrastructure projects in the Growth Deal extension (para 2.4 above). In total, £4m is available and can support infrastructure projects such as:
- Measures that improve access to employment sites
 - Highway improvements
 - Land purchase
 - Bringing redundant buildings back into economic use
 - Flood defences which open up employment sites.
- 3.8 In all cases, projects must demonstrate strong links to the creation of new jobs, and the stimulation of the Coventry and Warwickshire economy. The maximum grant available for each available project is £1m. The deadline for project applications to the CWLEP was 8th April 2016.
- 3.9 The Warwickshire Growth Plan was again used to identify potential project applications for this call for infrastructure funding. Officers undertook analysis as to those projects that had the best fit with the funding criteria set and therefore the most likely to be successful, and were the most deliverable within the required timescales of the fund. The following applications were therefore submitted for consideration:
- B4100 Dual Carriageway (M40 J12) [Stratford District]
 - A46 Expressway (M6 to M40) – A46 Link Road Phase 1 [Warwick District]
 - A46/ A425 Stanks [Warwick District]
 - Getting West Nuneaton Moving: Bermuda Connection [Nuneaton & Bedworth]
 - Unlocking Nuneaton Town Centre – Infrastructure Requirements [Nuneaton & Bedworth].

- 3.10 Member approval will be sought as the CWLEP appraisal and prioritisation process progresses and which projects could be funded becomes clearer.
- 3.11 Moving forward, officers are keen to develop a mechanism with which to actively engage with Members over the contents and evolution of the live Warwickshire Growth Plan, to help shape and inform existing project ideas and to bring forward new ones. A discussion as to the best/ most appropriate format for this would be welcomed, and the Committee are therefore asked to consider this.
- 3.12 Financial Implications: As mentioned in paragraph 3.6 the Local Growth Fund only contributes as proportion of the costs of any scheme (c. 50%). The County Council approval process, before any scheme can proceed, requires a report outlining both the total cost of the scheme and how the full scheme is to be financed to come before Members for approval.

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The report was circulated to the following members prior to publication:

Local Member(s): None

Other members: Councillor Neil Dirveiks, Councillor Izzi Seccombe, Councillor Nicola Davies, Councillor Peter Fowler, Councillor John Appleton, Councillor John Horner, Councillor Kam Kaur and Councillor Matt Western

Table 2: Local Growth Fund EOIs submitted to CWLEP with recommendations from WCC officers on which projects should be developed as full business cases and submitted to the CWLEP for further consideration

Project Title	Applicants	Project Description	Geographic area	CWLEP Board Decision	WCC Officer Recommendation
CSW Broadband	Warwickshire County Council	Extend roll out of superfast broadband	County-wide	Local Project	Develop full business case
Cycle Coventry and Warwickshire	Coventry City Council & Warwickshire County Council	Cycling provision extension	North/South corridor (MIRA to Kenilworth)	Local Project	Develop full business case
Coventry Strategic Urban Capacity	Coventry City Council & Warwickshire County Council	A444 North-South Corridor - Addressing local congestion pinch points on the A444 corridor to improve local connectivity, linkages to the strategic highway network and the reliability of public transport services. There are four schemes planned in the Coventry sector	Coventry / Nuneaton & Bedworth	Strategic	CCC decision as lead applicant
Evereux Development Site	Warwickshire County Council & Rugby Borough Council	Investment to unlock town centre site for retail, leisure and residential uses to create new gateway to Rugby, and support town centre development (4958m ²)	Rugby Borough	Local Project	Further work required – Not take forward at this stage
Rugby Parkway Station	Warwickshire County Council	New rail station on outskirts of Rugby along Crick Road	Rugby Borough	Strategic	Develop full business case
Avon Mill/Hunters Lane	Warwickshire County Council	Improvements to key junctions Avon Mill roundabout and Newbold road/Hunters Lane junction	Rugby Borough	Local Project	Develop full business case
Rugby Cycleway	Warwickshire County Council	This project will deliver approximately 7 kms of new high quality cycle routes connecting three major development sites in Rugby with the town centre, rail	Rugby Borough	Reserve Project	N/A

Project Title	Applicants	Project Description	Geographic area	CWLEP Board Decision	WCC Officer Recommendation
		station and the wider cycle network within the town.			
Gaydon- Leamington Cycleway	Warwickshire County Council	This project will deliver cycling infrastructure improvements to an approximately 9km cycle route connecting Leamington Spa to Jaguar Land Rover, Aston Martin Lagonda and the proposed major residential development at Lighthorne Heath	Warwick District / Stratford District	Reserve Project	N/A
A452 Europa Way Corridor	Warwickshire County Council	Principal route from the M40 into Leamington Spa and Warwick and serves as a key gateway to both towns. The project seeks to upgrade the entire route to reduce congestion and enable a number of substantial development sites to come forward in the vicinity of the corridor.	Warwick District	Strategic	Develop full business case
Birmingham Road Growth Corridor	Warwickshire County Council	The project seeks to implement a number of enhancements to help reduce congestion on the corridor and improve access for visitors, residents and business premises. It will help unlock the key town developments in the Canal Quarter and the major mixed use Stratford Gateway scheme.	Stratford District	Local Project	Develop full business case
NUCKLE 3.1 Nuneaton Station	Warwickshire County Council & Coventry City Council	Creating a new rail connection under the west coast mainline to enable a new through train Leicester to Coventry without the need to change at	Nuneaton & Bedworth	Strategic	Promote via Midlands Connect

Project Title	Applicants	Project Description	Geographic area	CWLEP Board Decision	WCC Officer Recommendation
		Nuneaton.			
Bath Street Gyratory	Warwickshire County Council	Proposed transport development in the Old Town area of Leamington Spa, Warwickshire to improve vehicular, pedestrian and cyclist access between Leamington railway station and the town centre	Warwick District	Local Project	Not take forward at this stage
Leamington Creative and Digital Quarter	Warwick District Council & Warwickshire County Council	Unlocking the commercial and cultural potential of this important but underdeveloped area – which also represents the town's southern gateway from the rail station and M40. This will be done through careful land assembly, imaginative building remodelling and refurbishment, and improved transport/mobility infrastructure.	Warwick District	Local Project	WDC decision as lead applicant
A46 Stoneleigh Expressway	Warwickshire County Council, Coventry City Council & Warwick District Council	Full grade separated roundabout and revised slip road arrangements at the junction of the A46/C32 Stoneleigh Road, along with reconfiguration of the nearby C32 Stoneleigh Road/Dalehouse Lane junction	Warwick District	Strategic	Develop full business case
A452 A46 Leamington Corridor	Warwickshire County Council	Capacity and highways improvements aimed at reducing congestion and boosting economic growth along the corridor which is the key gateway to Leamington Spa from the A46 strategic road network.	Warwick District	Local Project	Delivery unlikely to be possible until after HS2 – Develop as longer-term scheme

Project Title	Applicants	Project Description	Geographic area	CWLEP Board Decision	WCC Officer Recommendation
HS2/UK Central/BIA Connectivity	Warwickshire County Council	The project aims to improve local connectivity to key transport infrastructure and major employment opportunities including the proposed HS2 interchange, BHX, UK Central and the NEC. In addition, WCC consider that the project will help to mitigate the local construction traffic impacts of HS2	North Warwickshire	Strategic	Delivery unlikely to be possible until after HS2 – Develop as longer-term scheme
A444 North-South Corridor	Warwickshire County Council	The A444/College St (A444CS) scheme comprises capacity enhancements in order to stimulate and enable economic growth in the north-south corridor and address serious congestion issues on the highway network	Nuneaton & Bedworth	Local Project	Develop full business case
Hinckley to Nuneaton Cycle Route	Warwickshire County Council	This project will deliver a high quality 3.5km dedicated cycle route between the A5 and Nuneaton town centre, connecting the new residential development on the A47 The Long Shoot with the rail station and major employment sites in both Nuneaton and Hinckley	Nuneaton & Bedworth	Local Project	Not take forward at this stage
Nuneaton town centre (Highways)	Warwickshire County Council	The scheme encompasses a number of highway initiatives to facilitate connectivity for all road users accessing and travelling through the town centre, and manages the free flow of traffic on this strategic corridor.	Nuneaton & Bedworth	Strategic	Develop as joint business case for Nuneaton town centre

Project Title	Applicants	Project Description	Geographic area	CWLEP Board Decision	WCC Officer Recommendation
Unlocking Nuneaton's Potential (Flood risk)	Warwickshire County Council	The aim of the project will be to reduce flood risk to central Nuneaton, safeguarding businesses and existing employment in the town centre while also unlocking areas for residential development.	Nuneaton & Bedworth	Local Project	Develop as joint business case for Nuneaton town centre
Growing Nuneaton Town Centre (Land acquisition)	Warwickshire County Council & Nuneaton and Bedworth Borough Council	The acquisition of land to enable the growth and development of Nuneaton Town Centre and allow the town centre to take advantage of the opportunities coming from investment in the local area - creating sites, highway network improvements, improve visitor welcome	Nuneaton & Bedworth	Local Project	Develop as joint business case for Nuneaton town centre
Bermuda Connectivity/Unlocking West Nuneaton	Warwickshire County Council	The Project focuses on the improvement of Bermuda Bridge situated over the A444, opening the bridge to all traffic accompanied by supporting complementary highway measures aimed at mitigating the impact on the local highway network. This would create an approximate 1.3 mile additional highway link between West Nuneaton and Griff Roundabout	Nuneaton & Bedworth	Local Project	Develop full business case

Resources and Fire & Rescue Overview and Scrutiny Committee

18 May 2016

Transfer of Fire and Rescue Policy and Governance

Recommendation

It is recommended that the Resources and Fire & Rescue Overview and Scrutiny Committee note the contents of this report.

1.0 Background

1.1 At its meeting on 21st January 2016, Resources and Fire & Rescue Overview and Scrutiny Committee requested further information regarding (1) the move of Fire and Rescue Service to the Home Office and (2) the proposals for Fire and Rescue to come under the strategic control of the Police and Crime Commissioner.

2.0 The move of Fire and Rescue Service to the Home Office

2.1 Prior to the 5th January 2016 the Fire and Rescue Service came under the control of the Department for Communities and Local Government.

2.2 On the 5th January 2016 National Fire Policy moved to the Home Office.

2.3 Immediately the new Fire Minister, Mike Penning MP, and the Home Secretary became active and highly visible in national fire policy areas.

2.4 On the 26th January 2016 the Government responded to the 2015 consultation on “Enabling Closer Collaboration between the Emergency Services” (further discussed in the next section).

2.5 The first reading of the Policing and Crime Bill took place on the 10th February 2016. This Bill includes the proposed duty for emergency services to collaborate, and, additionally, provides the legislative basis for Police and Crime Commissioners to take over the running of Fire and Rescue Services if a local case is made, or for a PCC to join a Fire Authority.

2.6 On the 26th April 2016 MPs considered the Bill at Report Stage, Legislative Grand Committee and Third Reading.

2.7 On the 17th February 2016, the Public Accounts Committee reported on the *Financial Sustainability of Fire and Rescue Services* following on from a similar report by the National Audit Office.

2.8 A number of positive discussions have taken place between the Home Office and the Chief Fire Officers' Association about future national functions and structures. Particularly around comparisons with the revised national Police functions such as:

- Inspection arrangements
- Procurement
- Staffing practices
- ICT

2.9 At a recent Local Government Association conference, the Fire Minister gave his view on the following:

- The need for more collaboration between Fire and Rescue Service and the Ambulance Service.
- There should be measurable outcomes when the Fire and Rescue Service delivers on behalf of health and social care.
- The Government would consider a duty on flooding.
- PCCs are well placed to provide the more joined up and accountable leadership that would encourage more collaboration.
- The decision on whether a PCC should take control of the Fire and Rescue Service will be part of a negotiation package in which PCCs will need to make a local case and canvass the views of local people including fire authorities. Only if an agreement cannot be made would the Home Secretary review it and seek an independent view.
- The legislation will retain separate funding streams for fire and the police.
- The Home Office will be re-evaluating the current Fire and Rescue peer review process and consider implementing an alternative inspection process.

2.10 At the moment any significant impact following the move to the Home Office is not yet visible; however the increased level of Government interest and an increasing amount of dialogue behind the scenes would indicate that something is likely to happen in the near future. With such significant change being discussed the publication of a formal "Fire Reform Programme" now appears highly likely; however at this time details of the reform programme are not yet available.

3.0 What are the proposals for Fire and Rescue to come under the strategic control of the Police and Crime Commissioner?

3.1 In 2015 the Government's manifesto commitment was clear that they will "enable fire and police services to work more closely together and develop the role of our elected and accountable Police and Crime Commissioners" and on 11th September 2015 the Prime Minister announced a joint public consultation on a range of proposals about how to achieve these aims.

3.2 The Government published a consultation paper seeking views on a range of proposals to increase joint working between the emergency services. The consultation ran for six weeks, ending on 23rd October 2015.

3.3 There are three models for the possible future involvement of PCCs set out in the Policing and Crime Bill:

- The **Governance** Model which enable Police and Crime Commissioners (PCCs) to take on the functions of fire and rescue authorities (FRAs) and to whom the Chief Constable and the Chief Fire Officer are directly accountable.
- The **Single Employer** Model where a PCC takes on the responsibilities of their local FRA but then appoints a Chief Officer who becomes the employer of both police and fire personnel.
- The **Representational** Model, in areas where a PCC has not become responsible for fire and rescue services, enabling the PCC to have representation on their local FRA with voting rights, provided the local FRA agrees.

Before an Order can be made creating either the 'Governance' or 'Single Employer' Models (see Appendix 1) the following requirements must be met:

- The PCC must have consulted each relevant local authority and sought the views of local people.
- The PCC must have submitted a proposal to the Secretary of State.
- The Secretary of State must be satisfied that it is in the interests of economy, efficiency and effectiveness or public safety for the order to be made.

An order can only be made if the boundaries of the PCC's area align with the FRA area (or areas). Local areas would have to decide how boundaries should be changed before the PCC could take responsibility for fire and rescue services. Both types of order would be subject to negative resolution procedure in Parliament.

- 3.4 The Government has clearly set out its views on the potential for Police and Crime Commissioners to take over the running of Fire and Rescue Services and the Policing and Crime Bill provides the legislative basis for how this could be achieved. Whilst this is heavily caveated with phrases such as “where a local case is made”, the draft legislation envisages that the power to trigger discussions will lie with the PCC and the Home Secretary rather than with the Fire Authority.
- 3.5 Across the country there are mixed emerging positions, with some clear moves being developed by some to see the responsibility for Fire and Rescue to pass to the PCC and in others strong cases for continuation of the present arrangements.
- 3.6 As the emerging national policy direction for fire and rescue continues to develop, Warwickshire Fire and Rescue Service continues to pursue collaboration opportunities with Blue Light Partners including both Fire/Fire and Fire/Police options. The Service already works closely with the Police in areas such as Arson Reduction and will look for any future opportunities that would clearly support the national government agenda and enhance a number of working arrangements.

Background Papers: None

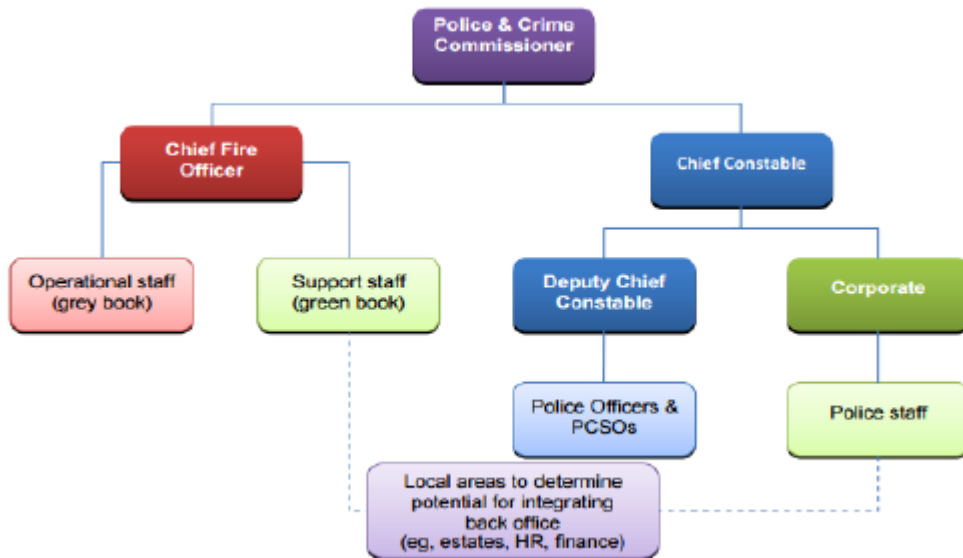
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This report was circulated to the following members prior to publication

Other Members: Councillor John Horner, Councillor Neil Dirveiks, Councillor Peter Fowler, Councillor Nicola Davies, Councillor Matt Western, Councillor Kam Kaur, Councillor John Appleton

Local Members: None

Governance Model



Single Employer Model

The chief officer would be appointed by and be accountable to the PCC for both fire and policing. Both senior police officers and senior fire officers would be eligible for applying for the post, so the requirement to have held the position of constable will be removed for senior fire officer applicants.

