

**Minutes of the Meeting of
Shropshire and Wrekin Fire and Rescue Authority
held at 2.00 pm on Wednesday, 9 February 2011,
at Shropshire Education and Conference Centre, Shrewsbury**

Present**Members**

Councillors Adams, Mrs Barrow, Bennett, Dixon, Eade, Hartin, Hurst-Knight, Dr Jones, Mellings, Minnery (Vice-Chair), Price (from 2.10 pm), Roberts and West (Chair)

Officers

Chief Fire Officer, Deputy Chief Fire Officer, Treasurer, Principal Accountant, Corporate Services Manager, Management Support Officer and Clerk to the Fire Authority.

Before the business of the meeting commenced, the Chair advised that Councillor Andrew Davies had stood down from the Fire Authority. Councillor Davies has been replaced by Councillor Bennett, whom the Chair welcomed to the Fire Authority.

1 Apologies for Absence

Apologies for absence had been received from Councillors Mrs Blundell, Kiernan, Mason and Picken.

Councillor Kiernan is currently recovering from a major operation and Members agreed that a letter should be sent to him, from the Fire Authority, wishing him a speedy recovery.

2 Declarations of Interest

The Chair reminded Members that they should declare any personal and/or prejudicial interests at this point and that they should leave the meeting room before any item, in which they have a prejudicial interest, was discussed.

There were no declarations of interest at this point.

3 Minutes

Members received the minutes of the Fire Authority meeting, held on 15 December 2010.

It was proposed by Councillor Roberts, seconded by Councillor Barrow and, with Councillors Bennett and Jones abstaining, it was

Resolved that the minutes of the Fire Authority meeting, held on 15 December 2010, be agreed and signed by the Chair as a correct record

4 Public Questions

No questions, statements or petitions had been received from members of the public.

5 Strategy and Resources Committee Non-Exempt Minutes

Members received the minutes of the Strategy and Resources Committee meeting, held on 20 January 2011, and considered the recommendations at items 5, 7 and 9.

The Chief Fire Officer (CFO) explained that the recommendations in the minutes needed to be agreed conditionally, where appropriate, due to the Capital Grant announcement, which was made the previous week and which would be further detailed at Agenda Item 9a. Councillor Hartin, as Chair of the Strategy and Resources Committee, then talked through each of items that needed to be agreed.

Resolved that the minutes of the Strategy and Resources Committee meeting, held on 20 January 2011, be noted

Item 5 – Financial Performance to December 2010

Councillor Hartin informed the meeting that there was an error on page 3 of the report, where the total figure at the top of the page should read £266,000 not £158,000.

It was proposed by Councillor Hartin, seconded by Councillor Jones and

Resolved unanimously that the Fire Authority:

- a) Note the position of the revenue budget;
- b) Approve virements to the revenue budget where requested;
- c) Note the position on the capital programme;
- d) Note performance against prudential indicators to date in 2010/11; and
- e) Note the information provided on balance sheet items.

Item 7 – Adequacy of Provisions and Reserves and Robustness of Budget

It was noted that, due to the capital grant announcement made by the Government, it was necessary to agree recommendation a) i) conditionally.

It was proposed by Councillor Hartin, seconded by Councillor Mellings, and

Resolved unanimously that the Fire Authority:

- a) Agree:
 - i) The reserves and provisions, as set out in the appendix to the report, subject to the outcome of any decisions made later on the agenda; and
 - ii) The Treasurer's assurances covering the robustness of the 2011/12 budget and adequacy of the reserves and provisions; and
- b) To note the material uncertainties from 2013/14 onwards.

Item 9 – Capital Programmes 2011/12 to 2015/16 and Prudential Guidelines

Councillor Hartin explained that recommendation a) on this report related to the appendix to the report. The appendix was to be considered in closed session, as it was an exempt document and, therefore, this recommendation would be considered in closed session.

It was proposed by Councillor Hartin, seconded by Councillor Jones, and

Resolved unanimously that the Fire Authority:

- b) Approve the Prudential Indicators and the Treasury Strategy for 2011/12; and
- c) Approve the Minimum Revenue Provision 2011/12.

6 Local Government Act 1972

It was proposed by Councillor West, seconded by Councillor Bennett, and

Resolved that, under the Local Government Act 1972, the public be excluded for the following items on the grounds that they involved the likely disclosure of exempt information, as defined by the provisions of Part I of Schedule 12A to the Act, by virtue of paragraphs 3 and 4

7 Capital Programmes 2011/12 to 2015/16 (Paragraph 3)

Members had already received the report Capital Programmes 2011/12 to 2015/16 in open session, with the exception of the appendix to the report, which was exempt. Members now received and considered that appendix.

The CFO explained that, in order to ensure that any procurement undertaken by the Service is cost effective, any information regarding capital programmes, which could be identified by an individual provider, will be considered in closed session.

It was proposed by Councillor Minnery, seconded by Councillor Hartin, and

Resolved unanimously that the Fire Authority:

- a) Confirm the 2011/12 onward programmes, as set out in the appendix to the report, as part of its final precept deliberations, subject to the outcome of any decisions made later on this agenda.

Councillor Price arrived at this point (2.10 pm).

8 Strategy and Resources Committee Exempt Minutes (Paragraphs 3 and 4)

Members received the exempt minutes of the Strategy and Resources Committee meeting, held on 20 January 2011.

Resolved that the exempt minutes of the Strategy and Resources Committee meeting, held on 20 January 2011, be noted

The meeting reverted to open session at this point. (2.15 pm).

9 Revenue Budget, Capital Programme and Medium Term Financial Planning

This report incorporated the recommendations made by the Strategy and Resources Committee on 20 January 2011 for the Authority's 2011/12 budget, updated the figures for changes since then, and outlined the consequences for medium term financial planning.

The Treasurer explained that the paper at agenda item 9 had been written before the capital grant announcement had been made and advised that agenda items 9 and 9a should be considered together, as the latter contained updates to item 9, which had been based on the figures presented to the Strategy and Resources Committee in January 2011.

The Treasurer reported that there were no expenditure changes to be made to the report but, since the Strategy and Resources Committee had met, the Collection Fund surplus had been confirmed as £117,000. This is an increase of £17,000, which it is recommended should be added to the unearmarked capital reserve. There was now no requirement to report efficiencies with the Council Tax demand. It had also been confirmed that the Council Tax Freeze Grant will be paid in 2011/12 and for the subsequent three years. There are, however, no guarantees as to what will happen after this time. At this point, the Council Tax leaflet for 2011/12 was tabled for comment (a copy is attached to the signed minutes).

The Treasurer explained that the issue of whether the reduction in grant settlement for 2011/12 was due to error had now been exhausted. It appears that the reduction is a combination of data changes, formula change and an overall reduction in grant at a national level.

The meeting then considered agenda item 9a. The Treasurer explained that the grant, which had been confirmed the previous week, can only be used for capital expenditure and it is anticipated that it will need to be used in 2011/12. It was suggested that £400,000 of the grant be used to bring forward to 2011/12 the capital scheme for the replacement of two Rapier appliances, which was to be done in 2013/14. There would be no additional revenue consequences of doing this, and it would reduce the budgeted cost of the capital programme from 2013/14 onwards. The balance of £516,000 of capital grant could then be used to fund the capital programme in the place of borrowing, which would save £26,000 of debt charges.

The whole of the Grant could be converted into revenue savings but this would reduce the precept, which does not seem a sensible course of action, given forecasted future deficits. Dealing with the Rapier appliances and using the balance of £26,000 by adding the money to the Efficiency Reserve would help to tackle future problems.

Councillor Hartin commented that he was pleased about the Grant and asked if it was unexpected. The CFO responded that the Fire Minister had indicated that there would be grant available but there had been some concern within the Service as to whether this would be allocated via a bidding system. The CFO also reminded Members that consideration must be given to year 2 of the capital grant settlement, as there will be a different basis for capital grant distribution then.

Councillor Hartin commented that it seemed sensible to deal with the capital programme and he would support the grant being used for this as it seems to be the pragmatic option. Councillor Minnery asked if it would be possible to address some other capital schemes. The CFO explained that officers would look at best value when deciding how to use the grant.

Councillor Bennett commented that it seemed eminently sensible to use the grant as suggested, rather than to reduce the precept, as it then becomes very difficult to increase it in the future. Councillor Eade agreed that there would be no benefit in reducing the precept at this time. Councillor Eade also asked if there was any potential for extending the life of the existing Rapier appliances. The CFO responded that it was becoming difficult to maintain the vehicles and explained that this scheme had been identified as part of a long-term strategy, with the aim of flattening out vehicle procurement over future years.

The Treasurer explained that the following recommendations in report 9 were superseded by recommendation d) in Report 9a

- a) A revenue budget for 2011/12 and a forward financial projection to 2015/16, as set out in section 6 of the report; and
- b) Incorporating these projections into its 2011/12 Medium Term Financial Plan.

It was therefore proposed by Councillor Minnery, seconded by Councillor Hartin, and

Resolved unanimously that the Fire Authority approve:

- c) That its Strategy and Resources Committee start to develop the Authority's 2012/13 service and financial planning with a view to lobbying for change to the current unpredictable method of central funding of local fire authorities, as set out in section 6 of the report;
- d) That the current Service and Medium Term Financial Plan be integrated in a new Medium Term Corporate Plan (MTCP), as set out in section 7 of the report;
- e) The draft MTCP, as set out on the website; and
- f) That its Strategy and Resources Committee develop a Service Plan, as set out in section 7 of the report, for approval at the meeting of the Fire Authority on 27 April 2011.

9a Notification of Government Capital Grant 2011/12

This report informed the Fire Authority of a grant of £916,000 towards capital expenditure, outlined the options available to Members and recommended a way forward.

It was proposed by Councillor Minnery, seconded by Councillor Hartin, and

Resolved unanimously that the Fire Authority agree to:

- a) Bring forward the capital scheme of £400,000 to replace two appliances in 2013/14 to 2011/12, and amend the capital programme, recommended by the Strategy and Resources Committee earlier on the agenda, accordingly;
- b) Use the balance of the capital grant of £516,000 to fund the capital programme instead of borrowing;
- c) Add the debt charges, thereby saved, of £26,000 to the Efficiencies Reserve, and amend the schedule of reserves and provisions, recommended by the Strategy and Resources Committee earlier on the agenda, accordingly;
- d) Incorporate the revised projections, set out in section 5, into its 2011/12 Medium Term Financial Plan, and, therefore, its Medium Term Corporate Plan; and
- e) Ask officers to prepare a position statement that will enable the Authority to lobby for a maximum allocation of Capital Grant in 2012/13.

10 Revenue Budget: 2011/12 Precept

This report sought Fire Authority approval to a budget for 2011/12; Council Tax levels for 2011/12; and precepts on billing authorities and related matters.

The Principal Accountant advised that due to the recommendations agreed at item 9a on the agenda, there were amendments to be made to Appendices B and C to the report. In Appendix B, there is a £26,000 reduction in the 'Interest Payable and Similar Charges' figure and a £26,000 addition to the 'Contribution to Reserves' figure. In Appendix C, the 'Income – Receipts' figure for the 'Efficiency Reserve' should now read £26,000. There were no amendments to Appendix A.

The Principal Accountant also explained that the net budget figure in recommendation a) on the report needed to be amended. This was due to a technicality arising from the use of the Council Tax Freeze Grant, which requires the budget to be reduced by the figure received. Therefore the net budget requirement is now £21,036,403 not £21,373,403.

It was proposed by Councillor Minnery that the recommendations be moved as amended. This was seconded by Councillor Hartin and it was

Resolved unanimously that the Fire Authority:

- a) Approve that a net budget requirement is set at £21,036,403 (calculated in accordance with the provisions of Section 43(4) of the Local Government Finance Act 1992);
- b) Approve a total precept of £13,436,812 to be levied on the billing authorities;
- c) Approve a Council Tax, resulting in a basic amount of Council Tax at Band D, calculated in accordance with the provisions of the 1992 Act (Section 44), of £83.81;
- d) Approve under Section 40(2) of the 1992 Act:
 - i The amount of Council Tax calculated for each category of dwelling in each billing authority's area, as follows:

Band	2011/12 Council Tax
	£ p
A	55.87
B	65.19
C	74.50
D	83.81
E	102.43
F	121.06
G	139.68
H	167.62

- ii The amount calculated (in accordance with Section 48 of the 1992 Act), as payable by billing authorities for 2011/12, as follows:

Council	Precept £
Shropshire Council	9,166,299
Borough of Telford & Wrekin Council	4,270,513
	<hr style="border-top: 1px solid black; border-bottom: 1px solid black; height: 3px; width: 100%;"/> 13,436,812 <hr style="border-top: 1px solid black; border-bottom: 1px solid black; height: 3px; width: 100%;"/>

- e) Approve that the Treasurer:
 - i Issue the necessary precepts and information to the billing authorities in accordance with the provisions of Chapter IV of Part 1 of the 1992 Act and be authorised to make any amendment to the above to reflect the final approved budget, after consultation with the Chair and Vice-Chair of the Fire Authority; and
 - ii Is authorised to make payments required from, and to, reserves and provisions within the approved budget strategy and within the Authority’s Financial Rules, in conjunction with the Chair and Vice-Chair;
- f) Approve the revenue budget and pensions account, illustrated in Appendix A, for budgetary control in accordance with approved standing orders;
- g) Approve the Best Value Accounting Code of Practice Provisional Revenue Account at Appendix B; and
- h) Approve the schedule of reserves and provisions at Appendix C.

11 Annual Review of Charges – Special Services

The Fire Authority reviews annually, the charge it makes for special services from 1 April. Details of the current charges, which are estimated to produce £10,000 a year, were set out in this paper.

Charges have been increased, in recent years, to reflect additional costs to the Fire Authority of providing these services. These are mainly staff costs, and the increase has been agreed at the level of the firefighters’ pay award. In the current financial climate, and, given that to date there has been no pay increase during 201/11, it is recommended that charges remain at their current level in 2011/12.

Councillor Eade asked if any work had been done on applying an inflation-related increase. The Principal Accountant explained that this had not been looked at. Councillor Barrow asked if the charges included fuel costs. The Principal Accountant explained that fuel costs are not looked at individually but they are considered within the overall charging level.

Charges are also kept in line with those of neighbouring fire and rescue services, where possible.

Councillor Mellings asked what the level of income from special services was. The Principal Accountant explained that it is currently £6,000 - £10,000 per annum. Councillor Hartin commented that he was wary of keeping the charges the same and felt that an increase should be considered to take into account fuel costs etc. Councillor West commented that there had been an indication from the Fire Minister that fire and rescue services should start to look at how they can trade, for example with regard to animal rescues.

The CFO explained that there are two sides to this, one of which is to keep up with inflation. The Government is starting to look at charges for functions on a cost recovery basis. The Principal Accountant is currently undertaking work to identify the actual costs of providing special services. For example, identifying activity based costs will enable a more realistic price to be charged for special service provision. A more detailed charging regime will need to be established under the Localism Bill but in the interim an inflation linked increase could be applied to charges.

Councillor Dixon asked about the costs involved in raising income from special services. The Principal Accountant explained that there is currently a small Finance team and costs are, therefore, minimal. The CFO explained that it is important to ensure special services are cost neutral but this is difficult to achieve with a small finance team, however they are working on a system of calculating activity costs.

Councillor Hartin commented that he would feel happier with an inflationary rise in special services charges and proposed that a 2.5% increase be applied to special services charges for 2011/12

Councillor Bennett commented that on-costs are a major issue, when setting charges for services. The CFO agreed that this will need to be looked at closely if the Service is to enter into a semi-trading relationship as is proposed under the Localism Bill.

It was proposed by Councillor Hartin, seconded by Councillor Hurst-Knight, and

Resolved unanimously that special services charges be increased by 2.5% for 2011/12

12 FiReControl Project Update

This report set out a summary overview of the key issues and matters arising from the recent decision announced by the Coalition Government to cancel the FiReControl project. It was not an exhaustive report, as the repercussions from the announcement are currently being considered within several arenas of the fire sector.

In addition to the recommendations a) to f) in the original report, a letter was sent to Members on 2 February 2011, detailing a further recommendation g) relating to the dissolution of the Local Authority Controlled Company, which members were asked to consider, when deliberating the report.

Councillor Dixon asked if there were any redundancy costs arising from the cancellation of the Regional Control Centre (RCC). The Chief Fire Officer responded that there was only one employee employed by the Local Authority Controlled Company (LACC) and their redundancy costs are to be covered by Government grant. All other employees are either returning to the posts they were seconded from or are being made redundant by their own fire and rescue service. The CFO explained that the RCC had resisted taking on the lease, so there were no costs arising from this. The Chair of the Fire Authority and the CFO are working to ensure that there is no cost to the taxpayers of Shropshire from the cancellation of the project.

Councillor Hartin asked for an indication of the total amount that had been spent on the project nationally. The CFO estimated that the costs nationally would be in the hundreds of millions of pounds.

Councillor Eade asked if there was now an opportunity to identify one location for resilience. The CFO responded that this was explored but it is preferable to initially develop a system that works over the West Mercia region, i.e. Shropshire and Hereford and Worcester. This will be a compatible mobilising system but will still have the resilience of two sites. There may also be the opportunity for a discussion with West Mercia Police about joint working in the long-term.

It was proposed by Councillor Minnery that recommendations a) to f) be moved together with the additional recommendation g). This was seconded by Councillor Barrow and it was

Resolved unanimously that the Fire Authority:

- a) Note the contents of the report;
- b) Task officers to compile a draft response to the consultation document on behalf of the Fire Authority and delegate authority to the Strategy and Resources Committee to consider and approve the response;
- c) Approve the decision of the Local Authority Controlled Company (LACC) to place the LACC in to 'dormancy' and task the Chief Fire Officer, in consultation with the Chair, to protect the Authority's interests during the process of moving to dormancy;
- d) Task officers to compile, on behalf of the Fire Authority, a draft formal Memorandum of Understanding (MoU) between the Authority and Hereford and Worcester Fire and Rescue Authority, setting out arrangements to secure the formation of a shared resilient control room infrastructure with common operating, technological and procedural standards/practices operated from two remote locations;
- e) Delegate authority to the Strategy and Resources Committee to approve the MoU;

- f) Receive at the next meeting of the Fire Authority a more detailed report concerning developments and financial implications arising from the cancellation of the FiReControl project; and
- g) Authorise the Chief Fire Officer, in consultation with the Chair, to determine whether to support the dissolution of the Company, once satisfactory agreement has been reached with the Government and the other Fire and Rescue Authorities in the Region on the use of uncommitted regional FiReControl grant and other assets.

13 Home Fire Safety Visits Programme

Members will be aware of the outcomes of the Public Value process and the changes that need to be made to meet the reduction in the Service budget in the coming years. This report informed Members of the future policy with regard to Home Fire Safety Risk Visits (HFSRVs).

Councillor Jones referred to paragraph seven of the report and asked how long the Ludlow pilot scheme would be running and if the outcomes of it would be reported to the Fire Authority. The Deputy Chief Fire Officer (DCFO) explained that the scheme has been running for two months so far and that a report on it will be brought to the Fire Authority in three to four months' time.

Councillor Adams referred to the bullet points at paragraph four, which referred to potential target groups for smoke alarm provision and questioned the 'people who have never worked' group. The DCFO explained that the provision of the smoke alarms will be decided by the individual circumstances of each case and that the groups listed were purely examples of where the work would be targeted.

Resolved that the Fire Authority note the contents of the report

The meeting closed at 3.00 pm.

Chair.....

Date.....