

**Minutes of the Meeting of
Shropshire and Wrekin Fire and Rescue Authority
Strategy and Resources Committee
held at Headquarters, Shrewsbury
on Thursday, 24 January 2013 at 2.00 pm**

Members

Councillors Mrs Barrow (Vice-Chair), Miss Reynolds, Roberts, Thompson and West

Officers

Chief Fire Officer, Deputy Chief Fire Officer, Treasurer, Head of Finance, Planning and Performance Manager and Executive Support Officer

1 Apologies for Absence

Apologies for absence had been received from Councillors Hartin and Minnery.

1a Fire Authority Treasurer

The Chair introduced James Walton to the meeting. Following the departure of Rachel Musson, James Walton has taken over as the Fire Authority's Treasurer and Section 151 Officer. A report on this matter will be taken to the February meeting of the Fire Authority.

2 Disclosable Pecuniary Interests

There were no Disclosable Pecuniary Interests.

3 Minutes

Members received the minutes of the meeting of the Strategy and Resources Committee meeting, held on 15 November 2012.

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

Resolved that the minutes of the meeting of the Strategy and Resources Committee, held on 15 November 2012, be approved and signed by the Chair as a correct record

4 Public Questions

No public questions, statements or petitions had been received.

5 Financial Performance to December 2012

This report provided information on the financial performance of the Service, and sought approval for action, where necessary.

The Head of Finance (HoF) drew Members' attention to the table on page 2 of the report, which sets out the variances to the budget so far in 2012/13. The HoF highlighted the overspend on uniforms and also explained that, even though there is currently an underspend on operational equipment, spending on this is irregular and, therefore, this could change before the end of the financial year. It is worth noting that the Equipment Replacement Provision is also used to even out spending on this part of the budget.

Councillor West asked if the spending on vehicle parts had exceeded budgeted levels due to the extension of life policy that was now in place on vehicles. The HoF agreed that this was probably the case and that this issue will be reviewed as part of the 2013/14 budget setting.

The HoF referred to page 3 of the report and explained that with regard to investments, the Service is to start investing also with the NatWest Bank.

The HoF explained that officers had looked into the possibility of repaying the Authority's outstanding debt, as requested by the Committee at its November meeting. Information compiled by the Authority's leasing advisor shows that paying off the 5 earliest maturing loans in the Authority's debt portfolio, would require a one-off cost of £810,000. This would secure annual revenue savings of £32,000, which does not justify the required outlay.

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

Resolved that the Committee recommend that the Fire Authority:

- a) Note the position of the revenue budget;
- b) Approve virements to the revenue budget, where requested; and
- c) Note performance against prudential indicators to date in 2012/13

6 Capital Update on Activity and Finance

This report provided an overview of all of the capital schemes within the Brigade and their current status.

The Planning and Programme Manager (PPM) referred to the Station End Equipment (SEE) scheme, as detailed in the appendix to the report, and explained that the pilot will begin at Tweedale next week. Once this has been signed off, the SEE will be rolled out to the rest of the Service.

Councillor Roberts asked for an explanation of fire fogging. The Chief Fire Officer (CFO) explained that this is a piece of equipment, similar to a pressure washer, which enables a small amount of water to be used to put out fires by effectively providing a screen of water.

Councillor Mrs Barrow asked about the design specification for the SEE. The PPM explained that Telent have designed a bespoke product for the Service. The CFO further explained that the SEE receives messages from the mobilising system in the main Control Room. The SEE controls the station building and, for example, automatically opens the appliance bay doors, sets off RDS alerters etc. The SEE uses the Wide Area Network and radio and telephone signals to communicate with the central mobilising system. There is a language compatibility issue with the current SEE, so the SEE that is due to be piloted has been designed to overcome this issue.

Councillor Thompson referred to the appendix and commented that the investment at Wellington Fire Station was much welcomed.

Resolved that the Committee note progress so far on current schemes

7 Adequacy of Provisions and Reserves and Robustness of Budget

This report undertook a full analysis of Reserves and Provisions, provided an assurance on the adequacy of reserves and provisions, and gave an assurance on the robustness of the budget.

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

Resolved that the Committee:

- a) Recommend to the Fire Authority
 - i) The reserves and provisions, as set out in the report; and
 - ii) The Treasurer's assurances covering the robustness of the 2013/14 budget and adequacy of the reserves and provisions;

and

- b) Note the material uncertainties from 2014/15 onwards

8 Revisions to the 2013/14 Budget and Medium Term Financial Planning

This report developed a final revenue budget package for 2013/14 for consideration by the Fire Authority, taking into account latest information. The report also addressed the options for dealing with planning for later years.

The HoF explained that the figures in the report were as considered by the Strategic Risk and Planning Working Group in early January 2013. Since the papers had been produced for this meeting, there had been several changes to the figures proposed, which had altered the budget set out in the report. The HoF, therefore, tabled two documents to the meeting, setting out the amendments. Copies of the tabled documents are attached to the signed minutes.

The HoF referred to the tabled document that set out the predicted changes to the Council Tax income for 2013/14 and provided an explanation of the technicalities that had caused these changes. This does mean that Council Tax income for 2013/14 is more favourable for the Authority with an estimated income of £14,430,000, which is £117,000 more than originally predicted.

The second tabled document was an amended version of the second table on page 3 of the report, which showed the effect of the increase in Council Tax income. The increase will lead to a greater surplus in 2013/14 of £667,000, instead of the predicted £528,000, but will mean there is a bigger predicted deficit in 2019/20 of approximately £1.1m.

The HoF explained that a third document would be circulated at the end of the meeting, purely for information, which sets out the timeline of events and changes relating to the budget.

Councillor Mrs Barrow asked if the Service was anticipating that not all Council Tax would be collected. The HoF confirmed that this was the case and that an estimate of the impact of this had been factored into the budget planning. The issue will be monitored throughout the year and appropriate adjustments made as necessary. The CFO explained that the Authority had established a Volatility Reserve, which could be used to balance out issues relating to Council Tax income.

The Treasurer confirmed that he was happy with the budget-setting approach being taken by the Authority.

It was proposed by Councillor Roberts, seconded by Councillor Thompson, and

Resolved that the Committee agree to:

- a) Propose to the Fire Authority a revenue budget of £20.232m for 2013/14, which, together with a transfer to reserves, gives a budget requirement of £20.760m; and
- b) Task officers to update the Medium Term Corporate Plan, with assumptions considered by the Fire Authority, when the revenue budget for 2013/14 is agreed

9 Capital Programmes 2013/14 to 2017/18 and Prudential Guidelines

This report presented the capital programmes for 2013/14 to 2017/18, for consideration by the Committee in the context of Prudential Guidelines.

The HoF referred to the Gross Debt and Capital Financing Requirement (CFR), as set out on page 3 of the report, and explained that the CFR should be higher than the Gross Debt but that this is currently the other way around for the Authority.

This is due to previous decisions made by the Authority to fund future capital programmes through reserves and balances rather than borrowing. As the Authority is operating within its Operational Boundary and Authorised Limit, this situation is allowable.

It was proposed by Councillor Mrs Barrow, seconded by Councillor Thompson, and

Resolved that the Committee recommend that the Fire Authority:

- a) Confirm the 2013/14 onward programmes, as set out in the appendix (exempt paper 13), as part of its final precept deliberations;
- b) Approve the Prudential Indicators and the Treasury Strategy for 2013/14; and
- c) Approve the Minimum Revenue Provision 2013/14

10 Corporate Risk Management Summary

This report documented a recent review of the risk management process at Shropshire Fire and Rescue Service (SFRS) by the Risk Management Group (RMG). The report made recommendations for the future reporting of risk within the organisation.

The PPM referred to page 2 of the report and explained that the categories for assessment of future corporate risks should also include provision of information.

The PPM added that future Fire Authority and Committee reports will include a section on Risk Monitoring, much as there are sections in reports for financial implications and legal comment. The proposed wording for this paragraph is as set out on page 3 of the report.

The PPM then talked through the Corporate Risk Register and explained that following the recent Risk Management review there are three corporate risks remaining on the Risk Register. These are Risk ID 82, 75 and 35.

Councillor West asked in what way the Risk Register had been too specific. The PPM gave the example of the harsh weather risk, which was too detailed to be included at the corporate level. The Deputy Chief Fire Officer (DCFO) explained that it was about risks being recorded / reported at the correct level. The CFO gave the example of snowy weather, which would be recorded at the corporate level as a problem with the ability to respond at all times. This could then be drilled down to the further detail of the issue of snowy weather.

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

Resolved that the Committee:

- a) Note the contents of this report;
- b) Agree the suggested way forward for managing risk, as identified in Section 5 of the report;
- c) Approve the Notes / Actions set out in the appendix to the report; and
- d) Agree that the Annual Governance Statement Improvement Plan will be expanded to form the basis of the departmental risk register.

11 Local Government Act 1972

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

Resolved that, under section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting 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 12(A) to the Act, by virtue of Paragraph 3.

12 Capital Update on Activity and Finance (Paragraph 3)

The Committee received the second part of the Appendix to Report 6 – Capital Update on Activity and Finance, which contained exempt information.

Resolved that the Committee note the Appendix to Report 13 – Capital Update on Activity and Finance

13 Capital Programmes 2013/14 to 2017/18 and Prudential Guidelines (Paragraph 3)

The Committee received the Appendix to report 9 – Capital Programmes 2013/14 to 2017/18 and Prudential Guidelines, which contained exempt information.

Resolved that the Committee note the Appendix to Report 9 – Capital Programmes 2013/14 to 2017/18 and Prudential Guidelines.

The meeting closed at 2.38 pm.

Chair.....

Date.....