

**Minutes of the Meeting of
Shropshire and Wrekin Fire and Rescue Authority
Strategy and Resources Committee
held at Headquarters, Shrewsbury
on Thursday, 15 November 2012 at 2.00 pm**

Members

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

Officers

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

1 Election of Chair

It was proposed by Councillor West and seconded by Councillor Mrs Barrow

That Councillor Minnery be elected Chair of the Strategy and Resources Committee to hold office for the ensuing year.

There being no other nominations, Councillor Minnery was duly elected Chair.

2 Appointment of Vice-Chair

It was proposed by Councillor Minnery and seconded by Councillor Roberts

That Councillor Mrs Barrow be appointed Vice-Chair of the Strategy and Resources Committee to hold office for the ensuing year.

There being no other nominations, Councillor Mrs Barrow was duly appointed Vice-Chair.

3 Apologies for Absence

Apologies for absence had been received from Councillor Hartin.

Councillor Miss Reynolds had asked that consideration be given to holding meetings in the evening, as she has difficulty in attending daytime meetings. The Committee discussed the request and, whilst they commiserated with Councillor Miss Reynolds, the consensus was that changing the time of the meeting would cause difficulties for other Members and officers. It was, therefore, agreed that the start time of the meeting should remain as 2.00 pm.

4 Disclosable Pecuniary Interests

There were no Disclosable Pecuniary Interests.

5 Minutes

Members received the minutes of the meeting of the Strategy and Resources Committee meeting, held on 17 May 2012.

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

Resolved that the minutes of the meeting of the Strategy and Resources Committee, held on 17 May 2012, be approved and signed by the Chair as a correct record

6 Public Questions

No public questions, statements or petitions had been received.

7 2013/14 and Later Years Revenue and Capital Budgets

This report brought together the elements of the budget, as set out in the reports that follow, and sought the Committee's approval for a budget outline to be recommended to the Fire Authority in December 2012.

The meeting agreed to receive and consider papers 7a to 7e, before returning to agenda item 7 to consider the recommendations.

7a Base Budget plus Committed Change

This report showed the latest position on the base budget plus committed change, following budget reviews by heads of department.

The Head of Finance (HoF) explained that the reduction in debt charges was a result of the Fire Authority's decision in April 2012. The HoF also explained that the Pay Contingency had been reduced, as there had been no pay award this year.

Resolved that the Committee note the contents of the report, for inclusion in the budget summary shown in report 7

7b Pay and Prices Assumptions

This report set out the possible provision to be made for pay and price inflation in 2013/14 and later years.

Resolved that the Committee recommend that the Fire Authority base its future budget plans on the calculations, set out in paragraph 5 of the report

7c Efficiencies 2013/14 and Forward Budgets

This report looked at progress in indentifying efficiencies for the period 2013/14 to 2017/18.

The HoF explained that the estimated £50,000 saving for two non-uniform posts, identified through the Public Value process, was unlikely to be realised in this financial year, although it will remain in the budget for future years. A saving of £50,000 has, however, been realised with regard to mapping costs. Mapping information was previously provided by Ordnance Survey at a cost and is now provided free of charge by the Department of Communities and Local Government (DCLG).

Resolved that the Committee recommend to the Fire Authority that it include £50,000 for planning the 2013/14 budget, and that it continues to seek out efficiencies as part of the budget setting process in later years

7d Capital Programme 2013/14 to 2017/18

This report set out the current schemes put forward for inclusion in the next five years' budgets. It then set out the potential revenue consequences, subject to public value consideration, including project appraisals, and to a review of financing possibilities.

Resolved that the Committee propose to the Fire Authority, for inclusion in its five year budget planning:

- a) The schemes set out in the appendix to the report;
- b) The potential funding of these schemes; and
- c) The revenue consequences that would flow from these schemes

7e Provisions, Reserves and Funds

This report set out the issues, which the Fire Authority will need to consider as part of its annual review of provisions, reserves and funds.

The HoF explained that the Control Room risk has been alleviated by the DCLG grant but the risk will be maintained for mobilising systems.

Councillor Minnery asked how the ICT systems were progressing. The Deputy Chief Fire Officer (DCFO) responded that the ICT system has improved and that work is ongoing with regard to ICT provision and further improvement of systems.

The HoF confirmed that the two new reserves, that is the Service Transformation Programme Staff Reserve and the Income Volatility Reserve, which were created at the close of the 2011/12 accounts, have been established.

Resolved that the Committee propose to the Fire Authority that it:

- a) Continue the Equipment Replacement Provision;
- b) Review the level of the General Reserve;
- c) Re-price the General, Earmarked and Unearmarked Capital, Extreme Operational Conditions, Information and Communications Technology (ICT), and Pensions Liabilities and Other Staff Issues Reserves; and
- d) Confirm the other earmarked reserves at their current levels.

At this point the meeting revisited item 7 on the agenda.

7 2013/14 and Later Years Revenue and Capital Budgets

The HoF drew Members' attention to page 3 of the report, which sets out the revisions to the assumptions that the Fire Authority based its budget planning in terms of expenditure on in February 2012.

The HoF explained that assumptions for grant from 2015/16 are based on the expectation that the Authority will experience further reductions of 6% per year. The HoF also reported that, with regard to localisation of Council Tax support, Shropshire Council is predicting a shortfall on its scheme of £200,000, which equals a 6%, or £12,000, shortage for this Authority. Telford & Wrekin Council is estimating a shortfall, including the Collection Fund, of £600,000, which would mean a £36,000 shortage for this Authority. These figures are better than originally predicted but still need to be confirmed.

The issue of Council Tax Freeze Grant was discussed. The implications of this issue are exemplified on page 5 of the report. Councillor Minnery commented that the budget setting process revolves around the setting of the precept level. Councillor West said that as the Fire Authority had agreed to increase the precept, this strategy should be continued. Councillor West, as Chair of the Authority, is to meet with MPs in London in the next few weeks and will raise this issue with Eric Pickles MP. Councillor West will also raise the issue at the Fire Services Management Committee meeting. Other combined fire authorities are also pursuing the issue with the Fire Minister Brandon Lewis MP. In addition, Members expressed concern about the potential cost to the Authority of a referendum on the precept level.

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

Resolved that the Committee approve the revised expenditure figures as a basis for developing the budget at the meeting of the Fire Authority on 12 December 2012

8 Financial Performance to September 2012, including the Mid-Year Treasury Review 2012/13

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

The HoF talked through the table on page 2 of the report, which set out the position of the revenue budget and capital programme to September 2012 and highlighted the following two items.

There has been increased spending within the overtime budget as a result of modified duties and maternity leave. The Deputy Chief Fire Officer (DCFO) explained that this increased spending has been brought about by a set of extraordinary circumstances, for example, four members of staff have been on maternity leave, which is unusual. Additional, but operationally necessary, training courses have also had an impact, with £50,000 of the overspend being attributable to overtime costs to cover training absences.

There has also been increased expenditure on sickness and modified duties for Retained Duty System (RDS) staff. The terms and conditions for RDS staff have been altered to bring them in line with those of wholetime staff as a result of the introduction of the Part Time Workers Regulations. RDS staff now receive an average payment of their last twelve weeks work, if they are sick or on modified duties, instead of the retainer fee and up to four weeks of drill night that they used to receive. The twelve week average may include time spent on training courses, which can increase the amount payable. Officers are to review the RDS budget and are aware of the issues outlined above.

Councillor Minnery referred to the Authority's current treasury position, as set out on page 5 of the report and asked if there was any benefit to be gained from paying off the Authority's debt. The HoF undertook to investigate the financial implications of paying off the debt and to bring the findings back to this Committee for consideration.

It was proposed by Councillor Mrs Barrow, seconded by Councillor Thompson, 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;
- c) Note the decision of the Pensions Panel on 6 August 2012 relating to early release of pension benefits;
- d) Approve the use of Government grant for Control Room services;
- e) Note performance against prudential indicators to date in 2012/13; and
- f) Note the mid-year review of treasury activities for 2012/13

9 Asset Management and Procurement Strategy

Members had requested an update on the Service's Asset Management and Procurement Strategy. This report advised that the Strategy had been reviewed and requested approval of the revised Strategy, which was attached as an appendix to the report.

The Head of Resources (HoR) explained that the Authority's current aims and objectives are outward looking and do not support the revised Asset Management and Procurement Strategy. The Authority's previous aims have, therefore, been retained within the revised Strategy and linked to the aims of the Strategy.

The HoR also reported that the Strategy has been updated to reflect the current economic instability. Councillor West asked how high this issue was on the Risk Register. The HoR confirmed that the issue of supplier failure is on the Risk Register and that it is also being addressed through the 2020 consultation sessions and contingency planning.

It was proposed by Councillor West, seconded by Councillor Miss Reynolds, and

Resolved that the Committee approve the revised Strategy

10 Asset Stewardship 2011/12

This report advised of the current condition of assets owned by the Authority and changes, which have occurred in the financial year 2011/12. This is a summary of information previously provided in the form of budget working papers, capital appraisals and capital budget reports, together with additional information.

The HoR explained that refurbishment work is underway at Wellington and that planning has begun for the refurbishment of Telford Central. The HoR also advised that there have been cuts to the property maintenance budget and that, whilst this is not having an immediate effect, it is likely that buildings will start to deteriorate in the future, particularly if external decoration is not maintained.

The HoR highlighted the changes to operational vehicles, which are detailed on page 4 of the report. With regard to non-operational vehicles, there were no changes in the financial year 2011/12. However since April 2012, two non-operational vehicles have been disposed of and the current non-operational fleet is being reviewed.

Councillor Thompson commented that he was pleased to see the improvements that were taking place at Wellington, as this had been an area of concern. The DCFO agreed that the improvements were much needed and said that Members would be offered the chance to visit the station, once the refurbishment had been completed.

Resolved that the Committee note the current asset position

11 **Consultation Exercise: Protocol on Government Intervention Action on Fire and Rescue Authorities in England**

This report brought to Members' attention the recently issued consultation document regarding the protocol on Government intervention action for fire and rescue authorities in England. Comments were sought on the proposals set out within the consultation. The report also offered a response for the Committee's consideration (acting on behalf of the Fire Authority).

Councillor West commented that the response was correct with regard to Operational Assessment (OpA). All fire authorities have signed up to OpA, so it appears correct to assume that some form of benchmarking would be established through this process.

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

Resolved that the Committee agree the proposed consultation responses (as set out at Appendix B to the report) and instruct officers to respond accordingly

12 **Consultation Exercise: Guidance on Statements of Assurance for Fire and Rescue Authorities in England**

This report brought to Members' attention the recently issued consultation document regarding the Guidance on Statements of Assurance for fire and rescue authorities in England. Comments were sought on the proposals set out within the consultation. The report also offered a response for the Committee's consideration (acting on behalf of the Fire Authority).

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

Resolved that the Committee agree the proposed consultation responses (as set out at Appendix B to the report) and instruct officers to respond accordingly

13 **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 Performance Manager (PPM) informed the meeting that it is expected that the Fire Kit Replacement Scheme will be completed by the end of the year. A phased go-live of the upgraded breathing apparatus sets will commence next week and replacement radios will go live at the same time.

Resolved that the Committee note progress so far on current schemes

14 Use of Capital 2009 to 2012

This report advised of capital investment made over the last three years and the benefits, which have been obtained from this investment.

The HoR reported that technical developments in appliance manufacture mean that vehicles with 3,000 litre tanks can be provided, where needed, for example in the more rural communities.

The snagging for the Headquarters project has been completed and a lot of lessons have been learnt from what was an extremely successful project.

Councillor West asked why GRP bodies were more expensive than traditional built bodies. The HoR explained that they were more expensive, as they are made of components that are manufactured separately and delivered to site for assembly.

Resolved that the Committee note the benefits achieved and consider these, when deciding upon future capital funding requests

15 Corporate Risk Management Summary

This was the latest of the regular Risk Summary Reports to the Strategy and Resources Committee. As previously, these reports are intended to enable Members to meet the requirements of this Committee's Terms of Reference as they relate to the Fire Authority's management of corporate risk.

The PPM reported that there had been very positive feedback about the recent training day. The training challenged the Authority's approach to risk management and has sparked debate over the items that are on the Risk Register. As a result of this, the Authority's corporate risk management process will be reviewed via the Risk Management Group with the possibility of risks being devolved to departmental level. This would mean that the Risk Register would comprise high-level, overarching risks, with more detailed risks at the department level. Progress on, and outcomes of, the review will be reported back to this Committee.

Councillor West referred to Risk ID 81 and asked if this was a result of having to comply with the national framework. The DCFO confirmed that this was related to the framework and that the issue is also being addressed through the Integrated Risk Management Plan.

Resolved that the Committee note the contents of the report

16 Local Government Act 1972

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

Resolved that, under section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item on the grounds that it 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.

17 Capital Update on Activity and Finance (Paragraph 3)

The Committee received the second part of the Appendix to Report 13 – 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

The meeting closed at 3.10 pm.

Chair.....

Date.....