

**Minutes of the Meeting of
Shropshire and Wrekin Fire and Rescue Authority
Strategy and Resources Committee
held at Headquarters, Shrewsbury
on Thursday, 7 November 2013 at 2.00 pm**

Members

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

Officers

Chief Fire Officer, Assistant Chief Fire Officer (Corporate Services), Treasurer, Head of Resources, Planning and Performance Manager and Executive Support Officer

1 Apologies for Absence

Apologies for absence had been received from Councillor Miss Reynolds.

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 12 September 2013.

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

Resolved that the minutes of the meeting of the Strategy and Resources Committee, held on 12 September 2013, be approved and signed by the Chair as a correct record

4 Public Questions

No public questions, statements or petitions had been received.

5 2014/15 and Later Years Revenue and Capital Budgets

This report brought together the elements of the budget, as set out in the reports that followed, and sought the Committee's approval for a budget outline to be recommended to the Fire Authority in December 2013.

The Treasurer presented this report to the meeting and drew Members' attention to the initial make-up of the budget, as shown on page 2 of the report, and to the summary table on page 3 of the report, which showed committed changes. These changes had been reviewed and had been shown to have a beneficial effect on expenditure reductions over the period from 2014/15 to 2017/18.

The Treasurer also explained that the precept strategy was set out on page 4 of the report together with the implications of accepting the Council Tax Freeze Grant. The impact of the Revenue Support Grant was set out on page 5 of the report.

The meeting agreed to receive and consider papers 5a to 5d, before returning to agenda item 5 to consider the recommendations.

5a 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.

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

Resolved that the Committee note the contents of the report, for inclusion in the budget summary shown in report 5

5b Pay and Prices Assumptions

This report set out the possible provision to be made for pay and price inflation in 2014/15 and later years.

The Treasurer explained that the pay assumptions had been budgeted on a 1% increase per annum up to 2016/17, followed by a 2% increase per annum from 2017/18 to 2019/20, which was in line with current predictions.

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

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

5c Capital Programme 2014/15 to 2018/19

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.

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

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

5d 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 Treasurer drew Members' attention to the appendix to the report, which gave a breakdown of the General Reserve, which stands at £566,000. He explained that the General Reserve is used to meet known risks, which are difficult to quantify or schedule. The appendix set out the risks in accordance with the guidelines set by the Chartered Institute of Public Finance and Accountancy (CIPFA).

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

Resolved that the Committee propose to the Fire Authority that it

- a) Review and confirm the current position of reserves and provisions;
- b) Review the level of the General Reserve; and
- c) Re-price the reserves and provisions currently held.

At this point the meeting revisited item 5 on the agenda.

5 2014/15 and Later Years Revenue and Capital Budgets

It was proposed by Councillor Minnery, 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 11 December 2013

6 Financial Performance to September 2013, including the Mid-Year Treasury Review 2013/14

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

The Treasurer drew Members' attention to the table on pages 2 and 3, which showed a total overall underspend of £118,000. The Treasurer also highlighted the increases to the Capital Programme, as set out on page 4. He confirmed that no extra borrowing had been undertaken by the Authority in 2013/14 and that the interest rates charged remained steady. The Authority's current investments were all currently with double or triple A rated organisations.

Councillor Minnery referred to the £70,000 overspend on Retained Duty System pension contributions and asked for further detail. The Assistant Chief Fire Officer (Corporate Services) (ACFO (CS)) explained that the membership take-up for the 2006 Scheme had been greater than predicted, which had led to extra provision having to be made. The newly introduced auto-enrolment had also had an impact on the budgeted levels.

Councillor Hartin asked for an explanation of the £50,000 underspend on uniforms and clothing. The Head of Resources (HoR) explained that an underspend had been predicted for this item and the money had been taken out of the budget in anticipation of this. The predicted underspend did not, however, occur, hence the item was showing an overspend.

Councillor Minnery asked for further details of the overspend on hydrant maintenance. The HoR explained that the costs had increased in the previous year's contract but that the frequency of the hydrant maintenance was controlled by the Service.

Councillor Thompson asked how the extra costs for helmets, referred to in report 8 on the agenda, would be met. The HoR explained that this would form part of the capital schemes and that helmets were to be reviewed with a view to replacement. This would be a large investment, which would require smoothing out within the budgets.

It was proposed by Councillor Mrs Barrow, seconded by Councillor Minnery, 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) Approve changes to capital schemes, where requested;
- d) Note performance against prudential indicators to date in 2013/14; and
- e) Note the mid-year review of treasury activities for 2013/14

7 Asset Stewardship 2012/13

This report advised of the current condition of assets owned by the Authority and changes, which had occurred in the financial year 2012/13. This was 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 reported that there had been no significant changes to the asset base during the year.

There had been a reduction in the property maintenance budget, which had led to a deterioration in the property stock, but this was manageable at present and capital schemes had been agreed to address needs at the Training Centre and at Wellington.

Councillor Hartin referred to page 6 of the appendix and asked what the new usage of the ambulance station adjacent to Tweedale would be. The HoR explained that it had been sold for use as a bathroom showroom and that the new owners had applied for a change to retail use. The Service had lodged an objection to this but the application was approved with tight restrictions on its usage.

Councillor Hartin also asked for an update on the Training Centre at Telford. The Chief Fire Officer (CFO) explained that until the outcomes of the 2020 impact assessments were known, the Service was not committing to any work on buildings, although it was recognised that there was a need for superficial works and these had been assessed. The HoR explained that there was a long-term issue with the buildings at Telford and that the cost of bringing them up to standard for other uses would be in excess of the income that would be generated by doing this.

Councillor Mrs Barrow asked about the possibility of selling the land off. The HoR explained that this had been looked at but there was little demand for land on Stafford Park and also the cost of building and planning permission would be an issue for potential purchasers. Councillor Mrs Barrow asked if sponsorship had been considered. The CFO said that this was something that could be considered in the future. The CFO further commented that the training centre was a fantastic facility but crewing changes may affect its usage in the future. Councillor West explained that day crewing plus was being discussed within the 2020 programme. If this were brought in, facilities on stations would need to be altered, so any decision on building changes and improvements would be made after the end of the Integrated Risk Management Planning process.

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

Resolved that the Committee note the current asset position

8 Capital Update on Activity and Finance

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

A revised version of the appendix to the report, which showed the spend against grant for station end equipment, was tabled to the meeting. A copy would be placed with the signed minutes and on the website.

Councillor Hartin asked for an update on the Breathing Apparatus (BA) set upgrade. The HoR explained that improved internal management systems regarding paperwork etc had led to the scheme being delivered cost effectively but there was now a need to review the number of sets across the Service. Currently there were six sets per one-pump station and one spare set at each station. Spare sets were stripped out during the upgrade but eight had been retained centrally and there were circa 190 sets across the Service.

The CFO explained that there were more than enough sets across the Service, especially given that it was a risk-critical piece of equipment. There was more than enough to cover and it was an overprovision. Councillor West asked if the issue with the communications equipment on the sets had been resolved. The CFO responded that this was a human error issue rather than a problem with the kit itself and that the Training Department, and, in particular, Adam Matthews had worked hard to educate users about the issues.

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

Resolved that the Committee note progress so far on current schemes

9 Use of Capital 2010 to 2013

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

The HoR drew Members' attention to the appendix to the report and highlighted the Fire Kit Replacement Project. This had been a major project, for which clear standards and objectives had been set. A full review of user satisfaction was still to be undertaken but general user feedback was positive.

The HoR referred to the Breathing Apparatus Set Upgrade and explained that training and exercises were being undertaken to embed procedures relating to the new sets and, in particular, the communications equipment, which was a new concept.

With regard to the Shrewsbury Headquarters Project, the HoR reported that there had been a £40,000 overspend on business rates for the building. This was due to a £15,000 increase in rates and a £40,000 change to the valuation of the building, which was currently being appealed. It was anticipated that that operating costs for the building would remain cost neutral, as originally predicted. The HoR also explained that the maintenance savings were not clear, as the property maintenance budget had already been reduced.

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

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

10 Corporate Risk Management Summary

This was the latest of the regular Risk Summary Reports to the Strategy and Resources Committee. The progress reported related to that achieved since the annual Risk Management report, received by the Fire Authority in July 2013.

The Planning and Programme Manager referred to the Risk Register, which was attached as the appendix to the report, and informed Members that there was one new entry. This was Risk ID 6, which related to the establishment of the Local Authority Controlled Company, Shropshire Fire Risk Management Services.

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

Resolved that the Committee note the contents of the report

11 Local Government Act 1972

It was proposed by Councillor Mrs Barrow, 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

12 Capital Update on Activity and Finance (Paragraph 3)

The Committee received the second part of the Appendix to report 8 – Capital Update on Activity and Finance, which contained exempt information.

Resolved that the Committee note the Appendix to report 8 – Capital Update on Activity and Finance

The meeting closed at 2.40 pm.

Chair.....

Date.....