

**Minutes of the Meeting of
Shropshire and Wrekin Fire and Rescue Authority
Strategy and Resources Committee
Meeting held on Thursday, 6 February 2014 at 2.00 pm
in the Oak Room, Headquarters, Shrewsbury**

Present

Members

Councillors Mrs Barrow, Carter (Chair), Hartin, Miss Reynolds and West

Officers

Chief Fire Officer, Assistant Chief Fire Officer -Service Delivery, Assistant Chief Fire Officer - Corporate Services, Corporate Support Manager and Executive Support Officer

1 Apologies for Absence

Apologies for absence had been received from Councillors Minnery (Vice-Chair) and Thompson.

2 Disclosable Pecuniary Interests

The Chair reminded Members that they must not participate in the discussion or voting on any matter, in which they had a Disclosable Pecuniary Interest, and that they should leave the room prior to the commencement of the debate.

No Disclosable Pecuniary Interests were declared.

3 Minutes

Members were asked to agree the minutes of the Strategy and Resources Committee meeting, held on 7 November 2013, and that they be signed as a correct record.

It was proposed by Councillor Mrs Barrow, seconded by Councillor West and, with Councillor Reynolds abstaining as she had not been present at the meeting, it was

Resolved that the minutes of the Strategy and Resources Committee meeting, held on 7 November 2013, be agreed and signed as a correct record

4 Public Questions

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

5 Financial Performance to December 2013

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

The Head of Finance (HoF) tabled a document, 'Use of Revenue Balance to Fund Capital Programme' (copy to be attached to the signed minutes), containing an additional recommendation, which the Committee was asked to consider.

The HoF then drew Members' attention to the table on page 2 of the report, which set out the current revenue budget position. She explained that the variance on Retained Duty System (RDS) sick pay was because RDS staff were now based on a 12 week period. She added that the figures were based on actual levels until November and were, therefore, subject to change. With regard to Pay and Prices, the Authority's strategy was to base its figures on an average and then amend this following the pay award.

The HoF then referred Members to the tabled document and explained that officers were proposing that revenue balances be used to fund the capital programme to save on debt charges.

The HoF drew Members' attention to the table on page 4 of the report, which set out proposed changes to the timing of some of the outstanding capital schemes. She also advised that the dates, given for the Command and Control pods and vehicles, should read '**Approved** 2014/15' and '**Now** 2015/16'.

Councillor Hartin thanked the HoF for the report and additional recommendation, as set out in the tabled document, and asked which schemes the revenue balance would be used to fund. The HoF replied that it would be the Appliance Replacement and IT Operational Requirements schemes.

Councillor Mrs Barrow referred to the Fire Authority's current investments, as detailed on page 5 of the report, and asked how safe these were. The HoF explained that the Authority only invested with those organisations, which were identified on Shropshire Council's approved counterparty list and, therefore, deemed to be safe.

Councillor Hartin proposed that the additional recommendation be included with those on the report. This was seconded by Councillor West and agreed by the Committee.

It was then proposed by Councillor Hartin, seconded by Councillor West and

Resolved unanimously that the Committee recommend that the Fire Authority:

- a) Note the position of the revenue budget;
- b) Approve movements and virements to the revenue budget, where requested;
- c) Approve changes to the capital programme;
- d) Note performance against prudential indicators to date in 2013/14; and
- e) Approve the use of revenue balances to fund capital schemes

6 Revisions to the 2014/15 Budget and Medium Term Financial Planning

This report developed options for a final revenue budget package for 2014/15 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 Head of Finance (HoF) tabled a document, 'Use of Revenue Surplus to Fund the Capital Programme' (copy to be attached to the signed minutes), containing an additional recommendation, which the Committee was asked to consider.

The HoF drew Members' attention to page 2 of the report, which summarised the budget position, as agreed by the Fire Authority at its December 2013 meeting. The Provisional Grant Settlement was announced after that meeting had taken place and the figures concerned were unchanged from those used in the Authority's planning model. The Settlement announcement also confirmed that the 2011/12 council tax freeze grant would be rolled into the base from 2016/17, although the Authority had assumed that this would cease in 2015/16. The predicted grant income had, therefore, increased by around £335,000 per year from 2016/17.

The HoF advised that the Government had now confirmed that an increase in precept levels of 2% or more would be deemed excessive and would trigger a referendum.

The council tax base for 2014/15 had been confirmed and had increased by 1.6% on the 2013/14 base, which equated to approximately £120,000 of additional income. It was also estimated that future growth would be approximately 0.8%, which has been factored into the revised budget position, shown on page 4 of the report.

The Borough of Telford & Wrekin had confirmed that the Fire Authority would receive approximately £22,000 from the Collection Fund surplus. Shropshire Council had also now confirmed that the Authority would receive approximately £145,000 from its Collection Fund surplus, which gave a total of £166,000 for 2014/15.

The HoF explained that, because at the time the report had been written the referendum spending limit had not been confirmed, the figures in the table on page 4 were only assumptions.

The Chief Fire Officer (CFO) commented that the difficulties surrounding the budget predictions were due to variables, changeability and the lateness of the referendum spending limit announcement.

Councillor Hartin referred to the final figures in the table and asked for confirmation that the £145,000 was not included in them. The HoF confirmed that this was a one-off amount, which could only be included in 2014/15.

The referendum spending limit was good news, as a 1.99% increase could now be considered, which put a different light on the figures in the table. Following the reduction of £450k in respect of IRMP 2020 options, delegated to officers to explore, the 2018/19 deficit would be £86,000, then £463,000 in 2019/20, which was a better position than anticipated. Councillor Hartin commented that there might be political advantage to be gained from varying the precept level but it was most logical to gain financial advantage. He asked what would be gained by deviating from the decisions made by the Fire Authority in December.

Councillor West commented that the Fire Authority needed to continue to protect the fire and rescue service into the future. A 1.99% increase in the precept level was equivalent to a few pence per week. The Authority's duty was to do its best to keep the service viable and to protect the public of Shropshire. An increased precept would protect the safety of the public. Councillor West stated that the Authority should, therefore, continue as intended and increase the precept level by 1.99%.

Councillor Hartin proposed that the additional recommendation be included with those on the report. This was seconded by Councillor West and agreed by the Committee.

It was then proposed by Councillor West, seconded by Councillor Hartin and

Resolved unanimously that the Committee recommend that the Fire Authority:

- a) Agree a revenue budget of £19.972m for 2014/15;
- b) Agree financial planning option of a 1.99% precept increase and confirm contribution to reserves and budget requirement for 2014/15;
- c) Task officers to update the Medium Term Corporate Plan, with assumptions considered by the Fire Authority, when the revenue budget for 2014/15 had been agreed; and
- d) Approve the use of revenue surplus to fund the capital programme in 2014/15

7 Integrated Risk Management 2020 Process

This report informed Members of the outcomes from Phase 2 of the Integrated Risk Management Planning (IRMP) 2020 Process and sought a decision, on which proposals should go forward for full consultation in Phase 3.

The Assistant Chief Fire Officer - Service Delivery (ACFO - SD) referred to the dynamic status of the Fire Authority's financial position and asked the Committee to consider the recommendations on page 9 of the report, in light of the decisions agreed on the previous paper.

Councillor Hartin, as Chair of the Strategic Risk and Planning (StRaP) Working Group, advised that, when the Group had considered the proposals, there had been an assumption that there would be a 1% or 1.5% cap on the precept increase. The announcement of the 2% referendum spending limit and the effect on the predicted deficit going forward, might now change some of the decisions made by the Group.

With regard to recommendation 1 on page 9 of the report, which was the closure of the four 'low risk' fire stations, Councillor Hartin commented that this had generated the most feedback during the impact assessment. The StRaP Group had concluded that there were limited savings to be achieved, and this, combined with the changes to risk, had led to the decision that the recommendation should not progress to Phase 3. Councillor Hartin formally recommended that this recommendation should be retained.

Councillor Hartin then proposed that the remaining recommendations, 2 – 7, be referred back to the StRaP Group for reconsideration with their recommendations being fed back directly into the Fire Authority meeting on 26 February 2014. Councillor West commented that it would be prudent for recommendations 2 -7 to be reconsidered by the StRaP Group in light of the referendum spending limit announcement. He agreed that the Committee could decide on recommendation 1 that day. Councillor Miss Reynolds agreed that the decision should be made on recommendation 1 that day. She would prefer if the remaining recommendations were reconsidered, especially recommendation 2, which concerned the proposed removal of a fulltime fire engine from either Shrewsbury or Telford.

Councillor Mrs Barrow commented that the four fire stations affected by recommendation 1 should be proud of the campaigns that they had undertaken to highlight what the station means to their local communities. Councillor West commented that this and the detailed risk assessments undertaken by officers had influenced the StRaP Group's decision. It should, however, be remembered that these were only recommendations, which still needed to be considered by the full Fire Authority.

Councillor Carter commented that as a StRaP member it had been very useful to visit the stations concerned and meet the firefighters, members of the public and local business people and councillors. The strength of feeling regarding the proposed station closures had a strong bearing on the StRaP Group's decision. He also commented on how thorough the impact assessment process had been and thanked Members and officers for their work on it.

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

Resolved unanimously that the Committee:

- a) Note the proposals, which officers would be taking forward for implementation within the IRMP 2020 Plan;

- b) Note the feedback received from Phase 2 of the IRMP 2020 Process at Appendix 1;
- c) Note the information contained within the impact assessments at Appendix 2; and
- d) Agree that, of the recommendations contained within paragraph 9 of the report, recommendation 1, concerning the closure of four 'Low Risk' fire stations, should not progress to Phase 3 and that the remaining recommendations 2 to 7 be referred back to the Strategic Risk and Planning Working Group for reconsideration with its recommendations to be reported directly to the Fire Authority on 26 February 2014

8 Capital Programmes 2014/15 to 2018/19 and Prudential Guidelines

This report presented the capital programmes for 2014/15 to 2018/19, for consideration by the Committee in the context of Prudential Guidelines.

It was noted that the appendix to this report (paper 11) would be considered in the closed session of the meeting, as it was exempt from publication under paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972. Recommendation a) of report 8 could not, therefore, be agreed until paper 11 had been considered.

The HoF referred to section 8 of the report, which set out the Authority's Treasury Strategy 2014/15. She advised that the use of the revenue balance to fund capital schemes, as agreed at item 5 on this agenda, was prudent, as it meant that the Authority could continue to avoid new borrowing. She explained that, when considering lending, the security of the capital was always put first, above the possible return.

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

Resolved that the Committee recommend that the Fire Authority:

- b) Approve the Prudential Indicators and the Treasury Strategy for 2014/15; and
- c) Approve the Minimum Revenue Provision 2014/15

9 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.

The HoF highlighted page 2 of the report, which gave an overview of the Authority's Reserves Strategy.

The Treasurer's view, as set out in sections 7 and 8 of the report, was that the Authority's reserves were adequate and robust.

The HoF explained that the appendix to the report, which provided an analysis of the Authority's Reserves and Provisions, had been forwarded to the Fire Minister for consideration.

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

Resolved that the Committee:

- a) Recommend to the Fire Authority:
 - i) The reserves and provisions, as set out in the appendix to the report; and
 - ii) The Treasurer's assurances, covering the robustness of the 2014/15 budget and adequacy of the reserves and provisions; and
- b) Note the material uncertainties from 2015/16 onwards

10 Local Government Act 1972

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

Resolved that, under the Local Government Act 1972, the public and press be excluded for the following agenda item on the grounds that it involved the likely disclosure of exempt information, as defined by the provisions of Part I of Schedule 12A to the Act, by virtue of paragraph 3

11 Capital Programmes 2014/15 to 2018/19 and Prudential Guidelines (paragraph 3)

This paper - Capital Programme 2014/15 to 2018/19 was the Appendix to report 8 – Capital Programmes 2014/15 to 2018/19 and Prudential Guidelines.

A decision on recommendation a) in report 8 had been deferred until this paper had been considered.

Having considered the paper, the Committee returned to recommendation a) and it was proposed by Councillor West, seconded by Councillor Hartin and

Resolved that the Committee recommend that the Fire Authority:

- a) Confirm the 2014/15 onward programmes, set out in the Appendix (exempt paper 11), as part of its final precept deliberations

The meeting closed at 2.55 pm.

Chair.....

Date.....