

**Minutes of the Meeting of  
Shropshire and Wrekin Fire and Rescue Authority  
Strategy and Resources Committee  
held at Headquarters, Shrewsbury  
on Friday, 18 November 2011 at 10.00 am**

**Members**

Councillors Mrs Barrow, Hartin (from 10.10 am), Minnery, Roberts and West

**Officers**

Chief Fire Officer, Deputy Chief Fire Officer, Treasurer, Head of Finance, Head of People Development, Head of Area Command, and Executive Support Officer

**1 Election of Chair**

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

That Councillor Minnery be elected Chair of the Audit and Performance Management 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 West and seconded by Councillor Roberts

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

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

The Chair introduced the Fire Authority's Treasurer, Rachel Musson, to the Committee and welcomed her to the meeting.

**3 Apologies for Absence**

Apologies for absence had been received from Councillors Picken and Thompson.

**4 Declarations of Interest**

There were no declarations of interest.

## 5 Non-Exempt Minutes

Members received the non-exempt minutes of the meeting of the Strategy and Resources Committee, held on 19 May 2011.

**Resolved** that the non-exempt minutes of the meeting of the Strategy and Resources Committee, held on 19 May 2011, be approved and signed by the Chair as a correct record

## 6 Public Questions

No public questions, statements or petitions had been received.

## 7 2012/13 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 2011.

The meeting agreed to receive and consider papers 7a to 7f, before returning to agenda item 7 to consider the recommendations and then considering paper 7g.

### 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 as a result of there being no pay award, there was a committed reduction of £300,000.

**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 2012/13 and later years.

**Resolved** that the Committee recommend that the Fire Authority base its future budget plans at present on option 2, as exemplified in paragraph 5 of the report

### 7c Efficiencies 2012/13 and Forward Budgets

This report looked at progress in identifying efficiencies for the period 2012/13 to 2016/17.

The HoF explained that the Fire Authority is no longer required to produce an Annual Efficiency Statement.

The Authority is, however, still seeking to find efficiencies wherever possible, for example the savings made in relation to the Occupational Health (OH) contract

Councillor Hartin arrived at this point (10.10 am).

The Chief Fire Officer (CFO) explained that the OH contract had originally been with Performance Through Health (PTH). This had then been expanded to include Hereford and Worcester Fire and Rescue Service. The OH contract has recently been renewed as a joint tender between Shropshire and Hereford and Worcester Fire and Rescue Services with Worcester Health Authority being awarded the contract.

**Resolved** that the Committee recommend to the Fire Authority that it include £67,000 for planning the 2012/13 budget, and that it continues to seek out efficiencies as part of the budget setting process in later years.

## **7d Capital Programme 2012/13 to 2016/17**

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.

The HoF explained that the appendix to the report shows the current capital programme. This is currently being reviewed and it is likely that it will change following this review. A full programme will be brought to the January 2012 meeting of this Committee for consideration against prudential guidelines.

The CFO explained that officers had been tasked to identify future capital schemes, which, with shrewd investment now, could ease pressure on investment in coming years.

**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 the maximisation of the capital reserve, if possible; and
- c) The revenue consequences that would flow from these schemes.

## **7e Public Value Outcomes 2011**

This report set out the summary financial and service planning outcomes arising from the second year of the 2010 Public Value review, particularly in respect of the scheduling and nature of proposed budget cuts during the period 2012-2015. The outcomes and proposals set out within the report were considered and accepted by the Fire Authority's Strategic Risk and Planning Working Group.

The HoF explained that the savings identified for 2011/12 had been incorporated into the base budget.

Councillor Hartin asked what the position was with regard to the crewing of the Aerial Ladder Platform (ALP). The CFO explained that the review of this issue is coming to an end. The Head of Area Command advised that there had been two parts to the review, which were identifying ideas for future crewing and then establishing which of these was preferred. Staff and officer recommendations resulting from the review will be presented to the Service Management Team (SMT) on 30 November 2011. These recommendations will then be brought to the Fire Authority meeting on 14 December 2011 for consideration by Members. Councillor Mrs Barrow asked if the consultation had taken place with Retained Duty System (RDS) firefighters as well as wholetime firefighters. The Head of Area Command confirmed that RDS staff had been consulted, although there had been limited response, and their feedback will be included in the report to the SMT.

**Resolved** that the Committee:

- a) Note the contents of this report; and
- b) Recommend to the Fire Authority that it approve the inclusion of the proposed budget reductions in the budget setting process.

## **7f 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 talked through each of the Provisions, Reserves and Funds outlined in the report, providing a brief explanation of what each one is used for, and clarifying the reasons for the recommendations contained in the report.

Councillor West asked if there had been any developments in relation to the Airwave contract. The CFO explained that there is a provision within the Airwave contract for it to be extended but work is being undertaken at a national level to identify a replacement. There are huge revenue costs associated with the current contract. The CFO also explained that the division of the costs does not take account of usage levels. The ongoing costs of the contract are being managed but the base costs are being challenged

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

- a) Continue the Equipment Replacement Provision, and consider the widening of its use;
- b) Review the level of the General Reserve as the current budget position becomes clearer;
- c) Re-price the General, Earmarked Capital, Information and Communications Technology (ICT), and Pensions Liabilities and Other Staff Issues Reserves; and
- d) Confirm the other earmarked reserves at their current levels, subject to reviewing the issues raised on pensions, ICT improvements and unforeseen capital schemes.

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

## 7 2011/12 and Later Years Revenue and Capital Budgets

The CFO explained that, in terms of financial planning, the Fire Authority is now in a better place, as it had been likely that an additional £1.8m would need to be found in 2016/17 but this figure has now reduced to a predicted £450,000. It is anticipated that further reductions could be made in the budget. The CFO also explained that there are still a lot of uncertainties, some of which may be positive, such as the grant.

It was proposed by Councillor Hartin, seconded by Councillor West, 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 14 December 2011

### 7g Precept Planning 2012

This report further discussed precept proposals for 2012 and onwards, following recent announcements by the coalition government.

The CFO referred to page 3 of the report and clarified that there were really only 4 options available to the Fire Authority.

The consensus of the Committee was that the decision regarding taking the money was an easy one. There was, however, concern about possible political implications arising from the decision.

Councillor Hartin commented that the options outlined in the report are all interesting but a key issue in deciding is front and back loading. Shropshire Council is accepting the tax freeze grant due to the front loading of their cuts whereas our cuts are to be back loaded with as yet still unknown levels of reduction in years three and four of the settlement.

A document was tabled (a copy of which is attached to the signed minutes), which set out exemplifications of the options detailed in the report in terms of the impact on the budget.

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

**Resolved** that the Committee direct officers to:

- a) Continue planning assumptions on an increase in council tax equivalent to 2.5% or 4p per week for the average family; and
- b) Produce a communication strategy for this option.

## 8 Financial Performance to October 2011

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

Councillor Hartin referred to page 3 of the report and asked why the Document Management System had been deemed important. The CFO explained that the system had been part of the move to a 'paperless' office. It had been trialled but it was obvious from this trial that paper is still preferred. It has, therefore, been decided to stop the project and review its relevance as part of a wider strategy.

It was proposed by Councillor West, seconded by Councillor Mrs Barrow, 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 position on the capital programme, and approve inflationary increases, where requested;
- d) Approve the cancellation of capital schemes, where indicated;
- e) Note performance against prudential indicators to date in 2011/12; and
- f) Note performance in Treasury Management to date in 2011/12.

## **9 Capital Update on Activity and Finance**

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

**Resolved** that the Committee noted progress so far on current schemes

## **10 Use of Capital 2008 to 2011**

This report advised of capital investment made over the last 3 years and the benefits, which have been obtained from this investment.

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

## **11 Asset Stewardship 2011**

This report advised of the current condition of assets owned by the Authority and changes, which have occurred in the financial year 2010/11. The report is a summary of information previously provided in the form of budget working papers, capital appraisals and capital budget reports, together with additional information.

Councillor Minnery asked what the situation was with those stations that had not yet been refurbished. The CFO explained that officers had been tasked with ensuring that buildings were kept safe and maintained.

Councillor Mrs Barrow asked about the Ambulance Service using Ludlow and what contributions they made with regard to utilities. The HoF confirmed that income is received for this. The CFO further explained that the Ambulance Service is currently changing the delivery of its service and negotiations are taking place regarding the use of other fire stations.

**Resolved** that the Committee note the current asset position

## **12 Local Government Resource Review – Business Rates Retention**

This report detailed the Fire Authority's response to consultation on the proposed retention of business rates income by local authorities. The consultation period ended on 24 October 2011.

**Resolved** that the Committee note the response to the consultation, which was delegated to the Chief Fire Officer and the Head of Finance

## **13 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 progress reported related to that achieved since the last summary report, received by the Committee at its meeting on 19 May 2011.

The Head of People Development advised that one new risk, Risk ID 80 relating to the HMG Security Policy Framework measures and the handling of confidential data, had been added to the Risk Register. Other than this there have been no significant changes to the Register.

**Resolved** that the Committee note the contents of the report

## **14 Local Government Act 1972**

**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 Paragraphs 3 and 4

## **15 Exempt Minutes (Paragraphs 3 and 4)**

Members received the exempt minutes of the meeting of the Strategy and Resources Committee, held on 19 May 2011.

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

**Resolved** that the exempt minutes of the meeting of the Strategy and Resources Committee, held on 19 May 2011, be approved and signed by the Chair as a correct record

## **16 Capital Update on Activity and Finance (Paragraph 3)**

The Committee received the second part of the Appendix to Report 9 – Capital Update on Activity and Finance, which contained exempt information.

**Resolved** that the Committee note the Appendix to Report 9 – Capital Update on Activity and Finance

**17 Corporate Risk Management Summary – Exempt Information  
(Paragraphs 3 and 4)**

The Committee had received an open session report, which summarised its current exposure to corporate risk. This report supplemented that one, as it contained information that is exempt from publication by virtue of the Local Government Act 1972, Schedule 12A.

**Resolved** that the Committee note the contents of this report, in conjunction with the Corporate Risk Management Summary discussed in open session (Item 13)

The meeting closed at 11.10 am.

**Chair**.....

**Date**.....